

Project Title	Improving sanitary capacity and facilitating export trade of livestock and livestock products from Ethiopia
Objective	To create the sanitary conditions and control infrastructure necessary to enable Ethiopian meat producers gain sustainable access to international markets.
Budget requested from STDF	USD 795,450
Total project budget	USD 887,650
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## **I. Background and Rational**

### **Country profile**

The Federal Democratic Republic of Ethiopia has a total land area of 1.1 million square kilometers which accounts for 3.7 % of Africa's land mass. It is the second most populous country in Africa, only second to Nigeria. Its total population is estimated at 96 million (9.3% of Africa). Since 1995, Ethiopia is constitutionally formed by a federation of nine ethnically-based regional states and two chartered cities.

Ethiopia is one of the least developed countries in the world, ranked 174 out of 188 countries in the Human Development Index (2014), but it is also one of the fastest growing economies in the world enjoying double digit (10.3%) annual growth over the last 12 years. It is thriving to join the lower middle income category by 2025. Over the last 15 years the incidence of poverty dropped from 45.5% to 29.6% (rural 30.4% and urban 25.7%).

In terms of composition of the GDP by sector, the services sector contributes 46% to the GDP and employs 10% of the population, agriculture contributes 40% to the GDP, employs 85 % of the population and industry contributes 14% to the GDP, and employs 5% of the population. Export of goods and services account for 11.7% of the GDP (MOFED 2015)

Livestock contributes 19 % to the total GDP and 45% to the agricultural GDP (IGAD-LPI 2010), supporting 70-80% of rural households (FAO Livestock sector brief, 2004). Export of livestock and livestock products accounts for 7.8% of the total export of goods.

### **Overview of Livestock Sector**

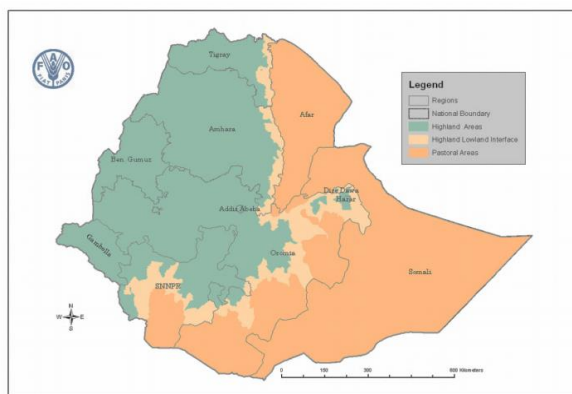
Ethiopia is endowed with huge livestock resources. It is one of the countries with the highest concentration of ruminant livestock in Africa. According to the National Central Statistical Agency (CSA) 2013/2014 sample survey report, Ethiopia has 55 million cattle, 27.3 million sheep, 28 million goats and 4 million camels. This ranks the country first in Africa and 10<sup>th</sup> in the world.

Ruminants are kept in widely different types of environments, from cool highlands (3000 meters above sea level) to hot pastoral rangelands. Based on the association between crop and livestock, the methods used to produce the stock and the intensity of application to the land, labor and capital; livestock production systems in Ethiopia can be broadly classified into three categories: the mixed crop livestock system, the pastoral agro pastoral system, and the specialized system.

**The mixed crop-livestock production system** is generally found in areas where the altitude ranges between 1500 and 3000 m.a.s.l. The large majority of the areas in this production system has adequate rainfall and moderate temperature and is thus suitable for crop production. The integration of crops and livestock is high in most areas. Cattle are the dominant livestock species and are kept mainly for draft power. Sheep and goats are kept to meet small and immediate cash needs. In this production system sheep are more dominant than goats. The production system accounts for 40% of the country's land mass and hosts 75% of cattle, 50% of sheep and 30% of the goat population in the country. Much of the livestock products for domestic consumption are coming from this production system.

**The pastoral/agro-pastoral production system** is characterized by arid agro-ecology, little or no crop agriculture and high mobility of animals in search of grazing and water. Under Ethiopian conditions, the pastoral production system is found at altitudes below 1,500 m.a.s.l. and where the annual precipitation is less than 500 mm. This production system is an important production system and accounts for 60% of the land mass of the country. In this production system livestock are maintained as a principal activity and over 50 % of household revenue comes from livestock or livestock-related activities. Livestock species in this system mainly consists of camels, cattle, sheep, goats and donkeys. In recent years, pastoralists have shown an increasing interest in keeping larger numbers of sheep, goats and camels than cattle. In this system there are more goats than sheep. Milk and meat are the two outputs. In drought years, goats gain more importance as suppliers of milk to the household.

**Fig 1. Crop livestock, agro-pastoral and pastoral areas in Ethiopia**



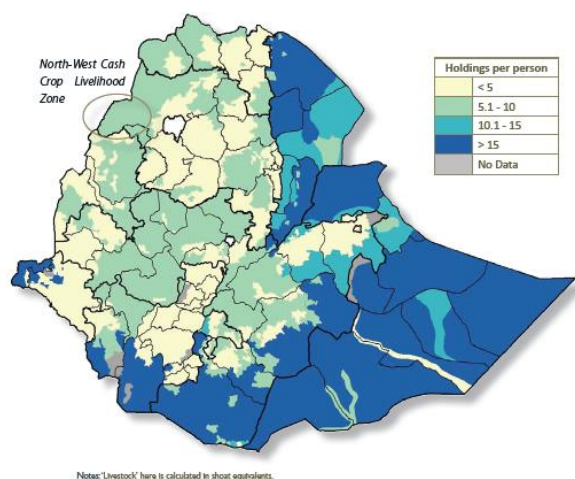
The Somali and Afar regions, the southern and eastern low lands of Oromia, Dire Dawa administrative council, and southern and southwestern lowlands of SNNP fall under this system.

This production system hosts 70% of the goats, 50% of the sheep, and 24% of the cattle and all of the camel population in the country. It is also the source for 90% of animals destined for export (LMDS, 2013).

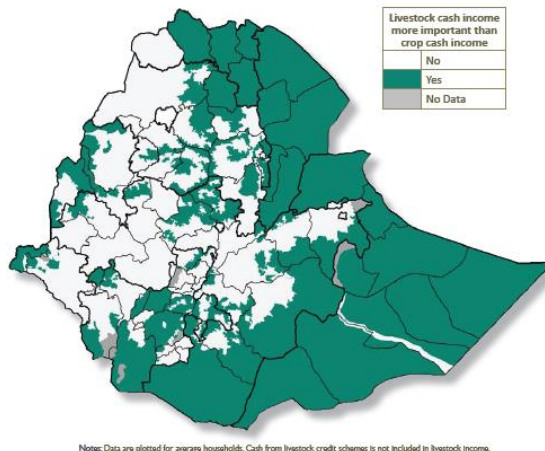
**The specialized production system** represents medium to large scale commercial farms in and around major cities. This includes mainly dairy farms, feedlots, and poultry farms. It accounts for 2% of the poultry and 1% of the dairy cattle population of the country.

Livestock holding per person varies with production systems. It tends to be higher in pastoral and agro-pastoral areas (fig 2). In quite substantial parts of the country, pastoral / agro-pastoral and some cropping areas, millions of people today get more cash income from livestock than from crops. Fig 3 represents areas where cash income from livestock is more important than cash income from crops.

**Fig 2. Number of livestock per person**



**Fig 3. Areas where cash income from livestock is more important than income from crops**



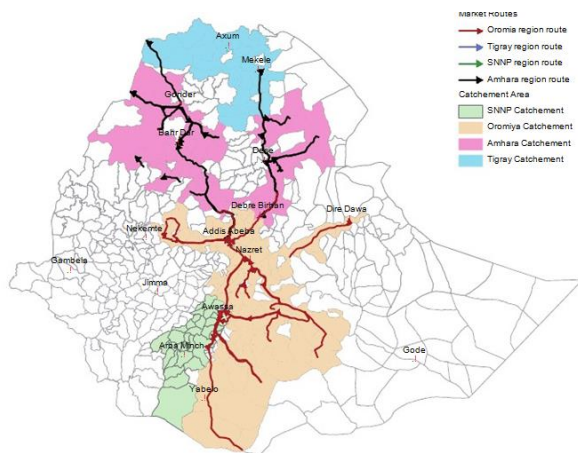
## Livestock and Meat Trade

Livestock trade in Ethiopia is characterized by three major features: domestic, informal cross-border and official export trade. The major source of animals for domestic trade is the mixed crop / livestock system, whereas for the export, the major source is the pastoral and agro-pastoral production system. Ninety percent of animals for the official export are coming from pastoral and agro-pastoral production systems. The contribution of the mixed crop-livestock system for the export is only about 10%. The other important feature in livestock trade is the informal cross-border trade along the borders of the country. According to estimates made by different studies, the volume and extent of transaction in the informal cross border trade is estimated to account for 2 or 3 times the official export volume.

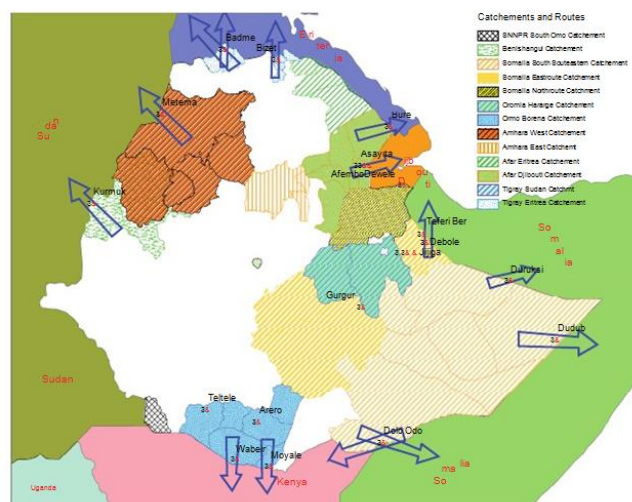
The livestock trade routes for the domestic market are widely distributed and mainly leading to the location of secondary and terminal markets. These markets are served by several micro/bush-markets with some intermediate stages. The intermediate stages are largely located in the urban centers of the major regions and eventually heading to the main destination markets in Addis Ababa and Adama (See Figure 4 below). Domestic demand, centered on Addis Ababa, provides the major demand sink in Ethiopia and therefore heavily influences livestock flows.

As indicated below in fig 5, informal cross border trade is happening all over the borders of the country but more so in the eastern, southern, southeastern and northwestern borders of the country. Animals for the informal cross border trade come from all the production systems depending on their proximity.

**Fig 4. Domestic Livestock Trade Route**



**Fig 5. Routes for Informal Cross-border Trade**



Ethiopia exports live animals and meat to different countries. In the live animal category Ethiopia's major export in terms of revenue is cattle. On average it exports 200,000 -300,000 cattle per year. The export of camels has been on the rise and in 2012 it reached 103,889. The annual average export of sheep ranges from 350,000 – 400,000 and goats from 20,000-40,000 (table 1). As indicated above, animals for export are sourced mainly from the pastoral areas. Unlike other countries which directly export animals from pasture, in Ethiopia, young cattle drawn from pastoral areas get conditioned for 75-90 days in mid altitude areas, mainly around Adama where relatively industrial by-products are more abundant. When they reach the desired weight and qualify for export, they are exported mainly as live animals. In the Adama area alone there are 140 feedlots with a holding capacity ranging from 100 to 4,000 per cycle. Egypt and Sudan are major destinations of cattle and camel exports. Sheep are mainly destined to the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA) and are associated with religious festivities.

**Table 1. Live animal official export (numbers and values), Ethiopia (2011-2015)**

Species	2011		2012		2013		2014		2015	
	no	value (million USD)	no	value (million USD)	No	value (million USD)	no	value (million USD)	no	value (million USD)
cattle	230,301		294,543		183,285		218,513		142,788	
sheep	146,655		355,699		388,189		346,382		300,477	
goats	15233		24,807		34,096		41,784		27,582	
camel	81,883		103,881		66,639		39,986		48,763	
<b>Total</b>	<b>474,072</b>	<b>114.6</b>	<b>778,930</b>	<b>207</b>	<b>672,209</b>	<b>165</b>	<b>646,665</b>	<b>185</b>	<b>519,610</b>	<b>148.5</b>

Source: Ministry of Trade official Report (2015)

The export of live animals in Ethiopia is very much constrained by the absence of quarantine facilities working according to international standards. Recognizing this, the government is now constructing two such quarantine facilities at Jig-jiga, in the Somali region of Ethiopia, to serve the Somali route; and the other at Mille, Afar region of Ethiopia, to serve the Djibouti route. Though the market is the governing factor, the plan on the part of the government of Ethiopia is to move slowly away from live animal exports and to move towards more value added exports. The objective of this move is to generate additional revenue from the value addition process,

employment generation and the leather and leather goods produced from the skin and hides which are co-products of the animal industry.

The live animal export trade from Ethiopia to *Middle East and North African* (MENA) countries is constrained by a number of challenges. The most common of which are limited destinations, the seasonality of the market (mainly during religious festivities.), dominance of illicit trade, limited market information exchange to all actors in the value chain (price, specifications, etc.), high transaction costs, losses from mortality during transportation, unjustified rejection of shipments, the volatile nature of the market (bans due to diseases) and growing SPS requirements of importing countries and limited market promotion.

The other important export commodity in the livestock sector is meat. Currently Ethiopia is exporting about 20,000 tons of chilled small ruminant carcasses worth USD 93 million a year (10% of which is variety meat/offal). It is the leading small ruminant meat exporting country in Africa, but its world market share is very small (1.3%). The revenue from meat export increased considerably over the last seven years (fig 6). There are 10 functional export abattoirs and 8 more are under construction. As indicated above, the plan on the part of the government is to go for more meat export business than live animals. Major destinations are the UAE and KSA.

**Fig 6. Value of Chilled Goat and Sheep Meat Exports to MENA, Ethiopia**



Limited destinations, growing SPS requirements, cold chain breakdowns, poor packaging (stock net quality for carcass and packing material quality for variety meat/offal), poor labeling, inadequate market promotion, lack of competitiveness specially for beef, the lengthy process to secure approval of export premises (e.g. KSA), absence of market segmentation practices, less value addition and less market information exchange are the major challenges of the meat export trade.

Ethiopia has recently put increased emphasis on the livestock sector. It has recognized livestock as a major growth driver for the economy and formulated a *Livestock Master Plan* (LMP) to guide the development of the sector. A separate Ministry, the Ministry of Livestock and Fisheries, has also been established to lead the process. The Master Plan has informed the second Growth and Transformation Plan (GTP II) of the sector, which is officially endorsed by parliament.

The LMP of the country is export focused, and with the second Growth and Transformation Plan that spans from 2015-2020, the country envisages to reach the capacity to export 1.2 million heads of animals (USD 526 million) and 78,000 tons of meat (USD 383 million) per year. Much of this increase is expected to come from beef which is currently produced at very low level. This requires increasing the customer base in the traditional export markets and entering new markets with more stringent SPS requirements and enhancing the competitiveness of the beef industry. As part of this move, the SPS requirements of 28 potential importing countries have already been identified and building the SPS capacity of the country to comply with the requirements of the identified potential importing countries is critical. STDF capacity building support in this regard is very timely, is in line with country's interest and will have substantial impacts in bringing about the desired changes.

## **1. RELEVANCE FOR THE STDF**

This project focuses on capacity building to enable the country to comply with SPS requirements of potential importing countries in the Middle East and North Africa (MENA) as well as in South East Asia for exporting sheep, goat and cattle meat.

The livestock sector in Ethiopia offers a high, untapped potential for production and trade opportunities which, if exploited, would have a direct impact on sustainable economic growth and poverty reduction both at national and household levels. Ethiopia is the country with the highest livestock population in Africa and its export growth potential for meat over the last decade had been very promising. According to the Ethiopian Meat and Dairy Industry Development Institute (EMDIDI), the country can produce and export a total of about 500,000 MT of meat and earn about USD 1.8 billion annually.

The introduction of good SPS related practices along the meat export value chain will positively impact on animal health by contributing towards the prevention and control of transboundary animal diseases (TADs), prevention of zoonotic diseases and the control of food safety hazards. It will help to prevent the imposition of trade bans by recipient countries and ultimately boost the export of SPS certifiable products, based on Ethiopian meat, both in volume and value. Expansion of exports will improve the income of poor livestock producers and other actors in the value chain. The livelihoods of the pastoralists where 90% of the export livestock are sourced from depend entirely on livestock production. Therefore, introducing good practices would improve livestock productivity and health and facilitate market access which would then help to significantly raise the income of these communities.

Exporting meat as opposed to live animals creates opportunities for value addition, job creation and represents a lesser risk for disease transmission. Moreover, it can also help to capture the value of hides, skins and offal and generate additional foreign exchanges to the country.

The Ethiopian leather industry has the potential to become a world class supplier of high quality finished leather and leather products, including shoes, garments, gloves and accessories. During the last few years, foreign investors have been increasingly discovering Ethiopia's potential. Through the introduction of good practices along the chain, this project can also contribute towards raw hide and skin quality and supply.

The project is fully integrated into the country's second *Growth and Transformation Plan* (GTP II). It is demand-driven and was designed based on a needs assessment conducted in the framework of the GTP II which is the country's second-ever national plan which includes also



meat export. Therefore, the project can directly build on and benefit from the momentum created through this government's Plan.

The project is innovative in its nature since it has a value chain approach where players at different stages of the chain will apply good practices and will help to improve animal health and food safety and increase export competitiveness along the meat export value chain. The project will build the capacity of the competent authority in addressing SPS requirements of importing countries through enforcing regulatory control and the introduction of good practices such as implementation of existing *standard operating procedures* (SOPs) and guidelines. The project will strengthen market linkages and market-oriented approaches among prospective business partners along the value chain through awareness creation, better understanding of markets and compliance with importing countries' requirements in terms of animal health, SPS and hygiene and sanitation standards.

## **2. SPS CONTEXT AND SPECIFIC ISSUE/PROBLEM TO BE ADDRESSED**

Ethiopia is a country with an agriculture led economy that has recognised the agricultural export trade as an important means to economic development and poverty alleviation. Greater participation in world trade could provide additional opportunities to address the challenging issues of economic growth and poverty reduction. Non-compliance with SPS standards and inadequate control mechanisms have been identified by the public and private sector as major issues affecting export capacity, market expansion and competitiveness in the sector. It should be noted that in the wake of globalization many countries, including the traditional trading partners of Ethiopia, are rapidly moving to integrate SPS and *World Trade Organization* (WTO) principles. As a result, countries are reviewing their policies and practices and major changes are underway that will have an important impact on livestock trade. These escalating standards for livestock and livestock products, with their auditing and certification requirements, present a growing challenge for Ethiopia seeking access to external markets. The international market for live animals and meat is becoming increasingly stringent. All those involved in the production, processing and marketing of live animals and meat must comply with improved SPS practices to maintain and increase market share.

The issue of non-compliance with food safety and animal health standards is due to SPS-related factors which have been identified along the live animal and meat value chain, as explained below.

### **Pastoralists and farmers level (sources of animals)**

- *Prevalence of trade limiting diseases:* The presence of a number of trade-limiting trans-boundary livestock diseases can act as absolute barriers to accessing a broader range of markets. Outbreaks will shut down trade in meat even when there are no good science-based reasons. As many regions rid themselves of infectious animal diseases, and as international trade and travel intensify, these health threats are of increasing concern to Ethiopia's trading partners. The repeated bans that Ethiopia experienced from the major importing countries on meat imports due to concerns over *trans-boundary animal diseases* (TADs) such as *foot-and-mouth disease* (FMD) and the occurrence of *Rift valley fever* (RVF) in neighboring countries have had significant impacts on the livelihoods of livestock-dependent communities and business enterprises. For example, a loss of USD132 million in added value and a 36% fall of GDP was estimated in the Somali region of Ethiopia due to a



trade ban imposed as a result of the outbreak of RVF in Northern Somalia and Kenya in 2000.

- *Weak early detection and response systems:* Disease surveillance and reporting is poor and irregular, with only about 35-40% of *woredas* (districts) in the country submitting disease outbreak reports each month. This figure is far lower for pastoral and agro-pastoral areas from where most export animals are sourced. Moreover, the sensitivity, specificity and timeliness of the reports are very low. The reporting is not done in real time and is not using new technologies such as mobile phones to enhance the quality of the reporting system. The lack of confidence expressed by trading partners in animal health certificates stems in part from a lack of confidence in the national surveillance systems. National authorities need to reach beyond passive surveillance approaches to more active systems that engage production stakeholders as partners. The final result of a surveillance system should be timely, accurate, low-cost information that is collected through an auditable system. The system should be documented and regularly assessed for quality of performance.
- *Lack of strategic disease prevention and control interventions:* Lack of sound and cost effective disease control strategies, are mainly due to lack of reliable epidemiological information and risk assessment. Vaccination campaigns are therefore performed sporadically with no strategic plan to reach the rural farms in an organized way. Implementation of control programmes is mainly monitored in terms of the number of vaccinations achieved, and not by monitoring the incidence or prevalence of the disease targeted for control or eradication. Moreover, there are no well-developed, adequately funded and coordinated emergency preparedness and contingency plans for exotic, emerging and re-emerging diseases.
- *Weak animal health extension services and inadequate vaccine supply:* The current delivery of animal health services is inadequate both in terms of coverage and quality. Only 45% of the country is served by animal health delivery systems. Field services are constrained by lack of inputs, high operational cost and lack of transport. Budgets do not allow drug purchases to cover part of the annual needs. The ratio of salary expenditures to recurrent costs is high and is increasing. The *National Veterinary Institute* (NVI) is producing a wide range of vaccines. However, some essential vaccines are not produced or are not produced in sufficient quantity and quality. The quality, safety and efficacy of veterinary drugs and biologicals, whether locally produced, or imported, distributed and used in the country are not properly regulated and controlled.

#### **At the level of livestock markets**

- *Lack of health checks of animals entering markets:* Although there are weekly and daily livestock markets of various sizes in the country, most of them do not have the necessary facilities such as perimeter fencing, water and feed troughs, loading and offloading ramps, needed for transactions to occur in an orderly manner. Most importantly, the health status of animals entering the market is not checked and inspected. Animal health and movement records are not kept and maintained. A new Proclamation regulating the conduct and structure of live animal trade in Ethiopia was formulated by the Ministry of Trade and approved by parliament. The law, proclamation no 819/2014, has provisions to address these issues but has not yet been fully and effectively enforced.

### **At the level of feedlots/quarantine**

- *Absence of minimum biosecurity:* Absence of minimum biosecurity standards to prevent the spread of disease by minimizing the movement of biologic organisms and their vectors onto and within feedlots results in introduction and spread of diseases and reduces the efficiency of production. Effective implementation of biosecurity has far reaching implications in preventing the introduction and spread of potentially catastrophic foreign animal diseases, as well as managing endemic and epidemic domestic diseases and for enhancing competitiveness both in the domestic and international market. In order to protect emerging commercial feedlots and to secure international markets, Ethiopian livestock producers and exporters need to meet minimum requirement by demonstrating their ability to respond to biosecurity risks.
- *Not well developed live animal transportation facilities:* Traders often cannot move their trucks to producer areas, while livestock owners complain that traders and their trucks never reach their areas—which forces them to *trek* (on foot) for long distances. Another trade-related, transport infrastructure issue involves the use of general-purpose trucks to transport livestock. While these trucks are sturdy and carry both imports such as grains and other goods into lowland areas and livestock animal exports out, they are not well-suited for moving livestock. Animals lose condition, are often injured and in some cases die.

### **At the level of abattoirs (meat production)**

- *Lack of understanding and practices of commodity based trade:* Ethiopia is endemic to a number of trade sensitive TADs, limiting export trade in meat to potential importing countries. Eradicating of these diseases in the foreseeable future is not feasible for technical and financial reasons. While international sanitary standards for trade in commodities and products derived from animals are predominantly based on the recognition of countries, zones and compartments free from FMD and other TADs, there is increasing shift towards the development of non-geographically based standards by the OIE and other international agencies. For countries like Ethiopia, non-geographically based standards such as the *commodity-based trade* (CBT) approach would be a pragmatic way of ensuring levels of acceptable risk for particular commodities without necessarily being required to prove geographical freedom from trade-influencing infections. This would provide opportunities for trade and improved income generation without threatening importing countries with outbreaks of TADs. Awareness of this trend is consequently vital in developing and updating approaches to disease management and trade that best suit Ethiopia's situation.
- *Lack of quality management systems:* GHP, HACCP and ISO standards are not fully implemented in all export abattoirs. Moreover, the SOPs developed for these purposes are not fully complied with and enforced. As a result of poor hygiene and sanitation a number of trade bans were imposed in the past on some of the export abattoirs causing heavy financial losses to the abattoirs and the country.
- *Cold chain breakdowns:* Break down in the cold chain is one of the common problems which at times results into the total rejection of the meat consignment. There are difficulties in maintaining cold chain all along the export chain, from export abattoirs up to end markets. This has resulted in poor sanitary standards and deterioration of the quality of the product. Cold chain is a continuum from the time the carcass is skinned and eviscerated and enters the chilling processes, stored, dispatched and transported. This helps to achieve a level at

which microorganisms do not grow. If the cold chain is violated at any point, meat safety, quality and hygiene will be compromised.

#### **Across the sector value chain**

- *Poor coordination between federal and regional veterinary services:* The OIE PVS Evaluation Report acknowledges that efforts have been made to coordinate VS responsibilities across the different levels of government, including the establishment of memoranda of understanding on issues relating to the prevention of transboundary disease and meat hygiene and inspection in slaughter establishments. However, it concludes that further strengthening of the technical chain of command is required. Weakened (decentralized) chain of command has resulted in inadequate disease reporting, inadequate exchange of disease/animal health information among districts, and lack of harmonized disease-control programmes.
- *Inadequate legal framework:* The need for legal support in implementing animal health and food safety standards cannot be overemphasized. This is only achievable through establishing a sound regulatory framework and strong enforcement mechanisms. Ethiopian laws related to animal health and meat safety are outdated and do not conform to international standards. In light of changing disease risks and occurrences, as well as scientific advances and improving international standards, current Government of Ethiopia (GoE) laws fail to address the changing situation and emerging challenges. There are several new laws awaiting approval in Ethiopia. However, promulgation of legislation in Ethiopia is a very slow process. The delay in enacting these bills suggests a lack of understanding and agreement on the scope and significance of SPS matters among legislators and decision-makers in the public sector and, further, may be indicative of divergent views between the various parts of Government currently charged with SPS issues. If indeed the country is to promote export of animals and animal products, endorsement and enforcement of required laws conforming to evolving international standards need to be a priority.
- *Limited capacity to undertake risk analysis:* Risk analysis plays a significant role in trade relations with importing countries on meat exports, but should also provide the technical basis for the progressive prevention and control of TADs, such as relevant to vaccine deployment. It is increasingly used in veterinary epidemiology, particularly in food safety and various aspects of trading of livestock and livestock products. However, the country lacks the capacity to undertake risk analysis and there is a need to enhance the technical and scientific knowledge and skills of selected mid-level officers to perform risk assessment as required for the implementation of SPS measures.
- *Lack of awareness on good practices along the chain (Good Husbandry Practices, Good Hygienic Practices, Good Manufacturing Practices, HACCP):* Insufficient qualified local expertise, extension officers and inspectors that limit SPS-related knowledge transfer to stakeholders along the value chain, and the implementation of a consistent approach and system to apply and comply with GAP, GHuP, GHP, GMP, HACCP across the value chain;
- *Poor coordination and collaboration of various institutions:* Overall, in most SPS areas in Ethiopia, there is: (i) only limited integration in functionality between various government agencies; (ii) significant competition between agencies to acquire and retain authority to issue licenses, permits, accreditations, and to conduct inspections; and, (iii) only very limited

willingness to share existing capacities (especially in laboratories) between agencies. Most food control functions at central government level are assigned to the Ministry of Health (MoH) and the Ministry of Livestock and Fisheries, as well as the Ethiopian National Bureau of Standards (ENBS). Institutional structures and role clarity are necessary for the SPS system to function effectively as a whole.

- *Absence of traceability system:* Traceability systems are important, effective tools that can be used for many things, including the protection of animal health, public health and food safety. They can help reduce response time, thereby limiting economic, environmental and social impacts of emergency situations such as disease outbreaks. It is increasingly becoming a requirement for market access. However, despite some pilot initiatives, effective implementation of livestock identification and traceability is not yet realized in Ethiopia. To develop a cost effective and sustainable livestock identification system that has the capacity to trace animals from the farm of origin to the retail outlet to control and/or eradicate animal diseases of national importance.
- *Poor awareness on SPS issues:* Both the public and private sector lack a clear understanding of SPS and why and how to comply with changing rules and regulations made by importers. Where awareness is lacking, attempts at regulatory enforcement are likely to fail. Awareness is needed among government officials so that SPS considerations are reflected in national policies and strategies, and so that resources are allocated on the basis of priorities. Producers need to be aware of SPS issues so that they too can allocate resources, whether they are large-scale agribusinesses or smallholder farmers.

The foundation of any SPS management system is awareness and recognition, in both the public and private sectors and from the level of decision-makers to implementers including inspectors, processors, traders, exporters, sector associations, and other stakeholders on the importance of effective SPS controls to export competitiveness and recognition by each party of their own role in this system.

- *Lack of residue monitoring capacity:* Ethiopia's underdeveloped capacity to address trade constraints related to e.g. pesticide *maximum residue limits* (MRLs) poses difficulties in the production of safe food of livestock origin for both domestic and international markets. Credible controls must be in place in order for exporters to ensure compliance with destination market maximum residue limits. The country should build its capacity to carry out analytical tests to detect residues such as antibiotics, pesticides, heavy metals and hormones in food of animal origin. This also involves the development of a national residue monitoring plan. Although there are numerous laboratories with some ability to undertake analytical tests, there are generally limitations to perform the tests required for compliance with export market standards.
- *Inadequate Laboratory diagnostic capacity:* Diagnostic and testing facilities are necessary to support pest and disease identification, market surveillance, inspection, and risk analysis. The country should strengthen its laboratory systems so that test results coming from these laboratories are credible and accepted by the trading partners. This involves establishment of quality assurance systems and accreditation of the laboratories for ISO 17025. The *National Animal Health Diagnostic and Investigation Centre* (NAHDIC) has made considerable progress over the past years in implementing a quality assurance programme and establishing a suite of OIE-recommended laboratory tests to support disease control and exports. So far, NAHDIC is accredited by *South African National Accreditation System*

(SANAS) for 14 tests and 6 diseases. This should be expanded further for other diseases and NAHDIC should be supported to be a reputable and credible laboratory in supporting export trade. The effectiveness of the 15 state veterinary laboratories in carrying out their duties has been compromised over the years by a combination of factors generally related to staffing, funding, organisation and shortage of supplies such as kits and consumables.

Addressing all these SPS concerns will be beyond the means and capacity of this project. Moreover, there are ongoing and upcoming projects handling some of these issues such as strengthening the extension system, control and prevention of major TADs and zoonosis, livestock identification and traceability etc.

Therefore, the project will focus on critical gaps and priorities which are not filled by existing and upcoming initiatives.

### **3. LINKS WITH NATIONAL/REGIONAL DEVELOPMENT PLANS, POLICIES, STRATEGIES, ETC.**

The *Government of Ethiopia* (GoE) set short term development priorities in its *Growth and Transformation Plan* (GTP II) issued in September 2015 (2015-2020). Government targets are fairly ambitious, including reducing poverty from 29.6% to 16.7%; achieving an annual growth rate of 11% and expanding the share of industry in GDP from 15.6% to 22.8% by 2020.

The GTP II plan has the vision of ‘building an economy which has a modern and productive livestock sector with enhanced technology and an industrial sector that plays a leading role in the economy. It also envisages sustaining economic development, securing social justice and increasing per capita income of citizens so that the country reaches the level of middle income by 2025. The GTP II has set very ambitious targets for increasing export earnings from live animals and meat exports combined, from USD 242 million in 2015 to USD 909 million in 2020.

To help achieve these plans, the Ethiopian Government is implementing strategies to boost agricultural productivity and growth, which includes also a focus on the livestock sector. The *Agricultural Growth Programme* (AGP) is a national initiative supported by the World Bank, the *Canadian International Development Agency* (CIDA), USAID, and other donors which is targeting smallholder farming. The Programme is designed to help increase agricultural productivity and market access for key crop and animal related commodities such as meat and livestock. The AGP is aligned with broader programmes targeted at poverty reduction and agricultural/livestock development including the *Agriculture Development-led Industrialization* (ADLI), the *Comprehensive Africa Agriculture Development Programme* (CAADP), *Rural Development Policy and Strategies* (RDPS), the *Plan for Accelerated and Sustained Development to End Poverty* (PASDEP) and the *Ethiopian Agricultural Sector Policy and Investment Framework* (PIF).

Other more specific plans initiated by the Ethiopian Government in relation to the livestock sector include the development of the *Livestock Master Plan* (LMP) which spans until 2020 and possibly beyond. The LMP provides the vision and strategy of what can and needs to be accomplished to develop the livestock sector. It also informs the government as well as development partners involved in livestock development, on the current status of the livestock sector and the potential for poverty reduction and economic development.

This project will play fundamental part in the Government's GTP II priorities in:

- Developing the livestock sector by focusing on the meat export sub-sector,
- Reducing poverty by aiming to increase export revenues of value chain actors, particularly livestock producers and
- Achieving the country's 5-year meat export target as indicated in the Plan.

The meat export plan under the GTP II has been developed through participatory and consultative approaches owned and led by the Ministry of Livestock and Fisheries which include donor project partners, NAHDIC, the *Veterinary Drug and Feed Administration and Control Authority* (VDFACA), and the Ministry of Trade, the Quality and Standard Authority of Ethiopia, regional states and the private sector representatives including the meat export sub-sector association.

The project will be coordinated with the above mentioned partners and other relevant development partners and institutions working on SPS related issues in the country including the National SPS committee members. The State Minister for Animal Health and Feed Quality Control who is the owner and main implementer of this project is the Chairperson of the National SPS committee in Ethiopia.

The members of the committee include MoLF, MoA, the Ethiopian Quality and Standards Authority, and the Food, Medicine and Health Care Facilities Administration, Control Authority (MoH) and meat producers and exporters association.

#### **4. PAST, ONGOING OR PLANNED PROGRAMMES AND PROJECTS**

Very few projects have been implemented so far focusing on SPS related issues, including food safety. Project implementation will be based on strengthening synergies and it will build on, and complement the following past, ongoing and planned projects and programmes in order to maximize results.

##### **European Union Livestock Development and Health Programmes/Projects**

- *Improving and Integrating Animal Health Services in the Livestock Value Chain through Public Private Dialogue in Ethiopia (LVC-PPD)*: This project, which had an operational period from 2010 to 2015, was implemented by the Government of Ethiopia, Ministry of Finance and Economic Development, National Authorizing Officer (NAO) of the European Development Fund (EDF). The overall objective was to contribute to alleviating poverty among the livestock rearing communities through measures accompanying the current reform in the livestock sector. The project specifically aimed to add value to livestock commodity production chains by integrating strengthened animal health, advisory and regulatory services, supported by effective dialogue between and mutually agreed actions by stakeholders in the public and private sectors. The project was engaged in the preparation of draft legislations on animal health and food safety which need further refinement. The proposed project will advance further EU's efforts on the livestock sector by supporting sector value chain actors to apply improved SPS measures and maximize export volumes. It will also build on the EU's project by directly supporting MoLF to review and finalize the draft legislations in line with the recommendations of the OIE. These legal frameworks will help to regulate the veterinary profession, introduce livestock identification

and traceability system, and improve disease surveillance and reporting, prevention and control of trade sensitive livestock diseases.

- *EC SHARE Ethiopia: Pursuing Pastoral Resilience (PPR)* through improved animal health service delivery in pastoral areas in Ethiopia. The project has been operational since 2014 and is expected to conclude in November 2017. The overall objective is to contribute to reduced morbidity and mortality due to *peste des petits ruminants* (PPR) disease among the small ruminant population owned by the pastoralist communities of Ethiopia. The project aims to support the government of Ethiopia in strengthening the disease surveillance system for most TADs along the pastoral areas of the country. Small ruminants are the main sources of the meat exported from the country. Therefore, the proposed project will complement EU SHARE Project's efforts by enhancing information exchange and improving market linkages which will help to increase offtake rates and maximize export.
- *The 11th EDF National Indicative Programme for Ethiopia (2012-2020)*: includes a focus on sustainable agriculture and food security. More than EUR252 million have been allocated for this sector, of which EUR70 million will be geared towards improvements in agricultural production. A key objective in this sector is to increase agricultural production, productivity and to improve marketing. In this context the establishment of a state of the art animal health system that complies with internationally recognised sanitary regulations is identified as an important result. This addresses the need to adopt OIE standards and to establish an effective public/private veterinary service delivery system. Already EUR 15 million have tentatively been earmarked for extended support to animal health interventions in a second phase LVC-PPD project.
- *Improving Surveillance of Trade Sensitive Diseases (STSD)*: is an EU funded project implemented by AU-IBAR in partnership with IGAD (ICPALD). It is a three year project (2015-2017) with a budget of EURO 6 million implemented in all IGAD member states. Its objective is to improve the *disease* surveillance and animal identification and traceability capacities of member states in the IGAD region. The project is providing series of technical capacity building supports to surveillance units of the member states.
- *Reinforcing veterinary governance in Africa (Vet Gov)*- is an EU funded program implemented by AU-IBAR in partnership with the seven regional economic communities. It is a five year program (2012-2016) with a budget of EURO 30 million implemented in 47 African member states. Its purpose is to improve the institutional environment at national and regional level to address the critical gaps in veterinary services so as to provide effective and efficient animal health services in Africa. Despite its broader objectives, the support provided to the country's veterinary services is not visible.

### **USAID funded programmes**

- *Standard Methods and Procedures in Animal Health Project (SMP-AH)*: the SMP-AH is a USAID funded project implemented by AU-IBAR in partnership with *Intergovernmental Authority on Development* (IGAD). It is a four year project (2012-2016) with a budget of USD 7.5 million. Its aim is to develop and facilitate a regionally harmonized and coordinated risk management and disease control approach for TADs in the greater horn of Africa including Tanzania. The project has developed standard methods and procedures for surveillance, diagnosis and prevention/ control of nine trans-boundary diseases and quarantine procedures that need to be implemented by member states. The project will build on the AU-



IBAR's efforts by capacitating MoLF to conduct risk analysis for priority trade sensitive diseases.

- *Ethiopia Sanitary and Phytosanitary Standards and Livestock and Meat Marketing Programme (SPS-LMM)*: this USAID funded programme brought together public institutions and private operators to dramatically increase meat and live animal exports from Ethiopia between 2005 and 2011. The SPS- LMM project was a landmark project for Ethiopia's livestock and meat export sector and offered several pertinent recommendations for the sector. The project assisted the MoLF in the development of 15 SOPs and guidelines to support the livestock and meat export sector of the country but they are not yet fully applied. The proposed STDF project will complement USAID's SPS-LMM project achievements since it will apply the SOPs and guidelines along the chain in order to enhance good practices along the livestock sector value chain, where value chain actors will directly benefit from an improved compliance of SPS requirements of importing countries.
- *Livestock Market Development Project (LMD)*: This project funded by the USAID includes a dedicated component to develop a *livestock traceability and identification system (LITS)*. The LMD is a five-year project (2013-2017) funded by the U.S. Government's *Feed the Future (FTF)* Initiative as part of the USAID contribution to the Agricultural Growth Programme (AGP). Its operations take place in highly-productive highland *woredas* of Ethiopia that have the largest livestock populations with large number of smallholder producers. The project is engaged in piloting animal identification and traceability systems for livestock and meat along the export chain. This project would build on USAID's LMD project activities by introducing good practices along the value chain for the success of the LITS program. The proposed project will complement the LITS's program by improving information exchange and strengthening linkages between exporters and importers of livestock and livestock products in key destination markets.
- *MercyCorps PRIME project*: is a 5-year (2012-2017), USD 52 million USAID-funded project to increase household income and enhance resilience to climate change through market linkages in Ethiopia's dryland areas. It aims to increase livestock productivity, increase capacity of communities to respond to climate change, improve nutritional outcomes and access to alternative livelihoods in pastoralist areas. PRIME's Innovation and Investment Fund (IIF) provides financial and technical assistance to private companies and other organizations that participate in the value chains and markets, which are important for the pastoralist areas. The project will enhance offtake rates of cattle and small ruminants, create market linkages between buyers and sellers and ultimately contribute to the betterment of livelihoods in pastoral areas where about 90% of the export meat and livestock is originating.

### Multiple donors

- *The Agricultural Growth Programme (AGP)*: was a five year (2010-2015) multi-donor programme with a total value of USD 280 million. It is supported by the *US Agency for International Development (USAID)*, the World Bank, the *Canadian International Development Agency (CIDA)*, and other international donors with the objective of supporting the implementation of the government's five-year *Growth and Transformation Plan (GTP)*. It focused on increasing sustainable agricultural growth in targeted, potentially rich, but underdeveloped areas (*woredas*) of the country. It aimed to increase agricultural productivity

and market access for key crop and livestock products, including through increased participation of women and youth. The AGP had three components:

- Component 1 focused on agricultural production and commercialization in selected sub-sectors, and includes activities focused on institutional strengthening and development, scaling up of best practices, and market and agribusiness development;
- Component 2 focused on small-scale rural infrastructure development to improve productivity and access to markets;
- Component 3 addressed the management, monitoring and evaluation of the other components in order to promote continuous improvement of AGP and other agricultural growth interventions

The proposed project will build on AGP's initiatives for strengthening best practices by improving SPS compliance and market access.

- *The Drought Resilience and Sustainable Livelihoods Programme is a programme for countries in the Horn of Africa:* It is funded by the African Development Bank, the World Bank and others. With funds of approximately USD 133 million, the programme focuses on water resources development and sustainable land management to enhance livestock production, market access and trade through development of market support infrastructure, information and value chain system as well as improve livestock mobility and trade in livestock products. The project in Ethiopia is providing technical support to veterinary laboratories and assistance to develop disease surveillance systems. The proposed project will complement ADB's efforts by introducing QMS in selected regional veterinary laboratories and assisting them in the process of accreditation.

## **5. PUBLIC-PUBLIC AND PUBLIC-PRIVATE COOPERATION**

The project will help to promote public/public and public/private collaboration as a means for ensuring project sustainability and ownership, and in an effort to support the existing limited inter-sectorial harmonization of efforts in Ethiopia.

The project will build these collaborations between government organizations involved in SPS issues, such as the MoLF as the main implementing institution, the Ministry of Health and other relevant institutions such as the Ministry of Trade, Quality and Standard Authority of Ethiopia and regional states.

The project will also build public-private collaboration between the afore-mentioned line Ministries and government institutions involved in SPS issues on the one hand and on the other hand private sector associations such as the *Ethiopian Meat Producers and Exporters Association* (EMPEA), the *Ethiopian Live Animal Traders Professional Association* (ELTPA), and other private sector stakeholders along the livestock sector value chain from producers, to collectors, livestock transporters, feedlot and export abattoir owners.

Based on the requirements of importing countries as compiled under the EU funded LVC-PPD project, this project will also promote SPS negotiations between importing countries' and Ethiopian veterinary authorities, support business networking and linkages between Ethiopian exporters and potential business partners in other countries such as the Middle East and North African (MENA) and South-East Asian countries.

## 6. OWNERSHIP AND STAKEHOLDER COMMITMENT

This project was prepared in consultation with key project stakeholders and addresses their expectations and demands. A consultative workshop involving all relevant stakeholders was held on August 03, 2016. Detailed discussions were held on the project document and comments and suggestions made by participants were used to enrich the project document. The project was first proposed by the Ministry of Livestock and Fisheries of the Federal Democratic Republic of Ethiopia and supported by the Ministry of Industry, the Veterinary Drug and Feed Administration and Control Authority, the *National Animal Health Diagnostic and Investigation Center* (NAHDIC), the *Ethiopian Veterinary Association* (EVA) and sectoral associations working on live animal and meat exports. These public and private institutions will be the main partners and beneficiaries as they will actively participate during the implementation of the project.

The *Ethiopian Meat Producers and Exporters Association* (EMPEA) and the *Ethiopian Live Animals Traders Professional Association* (ELTPA) will be directly involved in project implementation through trainings of their members and clients in view of replicating and disseminating good practices to a larger group along the livestock sector in Ethiopia.

The existing gaps in Ethiopia related to SPS issues will be reviewed and addressed through coordinated approaches involving all the relevant national authorities, private sector and development partners. The national SPS committee involving all relevant stakeholders will be the main coordination forum to achieve these objectives. Moreover, the Animal Health and Feed Quality Task Force under the existing *Rural Economic Development and Food Security* (RED&FS) executive committee will ensure coordination, harmonization and alignment of livestock projects in line with the Paris Principles of Aid Effectiveness.

The project, if approved will be part of the Ethiopian Government's *Livestock Master Plan* (LMP) and the five year *Growth and Transformation Plan II* (GTP II). Project activities will therefore be followed-up and results integrated in subsequent long term government plans for the sector.

Letters of support from each of these organizations are attached (Annex - IV)

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

**SUMMARY:** The strategy of the project is based on studying past, present and future government, private as well as donor funded projects and programmes along the livestock value chain. This is completed by an assessment of the capacities of value chain actors and the identification of gaps for addressing food safety and SPS-related requirements of importing countries along the meat export value chain.

The project will work with the stakeholders identified at different stages of the value chain and support them to implement good practices and systems, to improve food safety and adequately respond to importing countries' requirements. Importing countries requirements will be used as reference to guide the project activities and guide compliance efforts. The project will also strengthen local expertise in applying existing SOPs and guidelines, good practices, residue testing and meat inspection and certification. Through such interventions, the project will contribute to meat hygiene and prevention of meat contamination by harmful micro-organisms and antibiotic and other residues.

The project will contribute to strengthen the regulatory capacity of the country through enhancing competence of public regulatory institutions to perform official controls. The federal veterinary services will be capacitated in SPS negotiations, risk analysis, reviewing and updating legislations, SOPs and guidelines. Four regional veterinary laboratories in areas where animals are sourced for the export of meat will be supported, trained and coached in laboratory quality management and information management systems. The quality control laboratory of the *Ethiopian Veterinary Drug and Feed Quality Control and Administration Authority* will also be capacitated to perform laboratory analysis for the possible presence of residues in meat. The Ministry of Livestock and Fisheries will organize and handle the training programmes on good practices for value chain actors.

The requirements of importing countries and other related market information including sensitization and capacity building materials elaborated during the project, will be made available and accessible through available sector association websites.

The project activities are identified based on the gaps on past, present and future (planned) interventions in the country. The project will work in cooperation with and benefit from complementary projects and initiatives from other development partners working on trade and SPS related issues (mainly EU EDF 11, USAID FtF, World Bank, FAO, AU IBAR, and other projects). Engagement of the decision makers and other partners will assist in finding common ground and additional support to address project implementation challenges.

In general, the project will only deal with capacity building programmes in terms of supporting the efforts of the public and private sector to comply with SPS requirements of importing countries. It will not deal with infrastructure development and institutional capacity building since other projects and programmes, implemented by the government and donor partners are planning to deal or already dealt with these issues. On the other hand, the project will work towards effective coordination mechanism among the different institutions, projects and programmes involved in SPS issues.

Before it becomes operational, a project launching workshop will be organized with pertinent partners to make them aware of the project activities, to delineate roles and responsibilities and ensure maximum commitment and synergies among stakeholders.

The project will have a steering committee composed of relevant partners in order to oversee, guide and monitor the implementation of the project activities and facilitate coordination, collaboration and communication among all stakeholders.

The outcome of the project will be evaluated by the level of implementation of good practices (compared to the baseline status) and improvements in the safety and quality of export meat and feedback from importing countries. The evaluation on project outcomes will be carried out by comparing data collected at the beginning and end of the project.

## **7. PROJECT GOAL / IMPACT**

The project will contribute to increase export revenues of producers and feedlot and export abattoir operators along the meat export value chain in Ethiopia.

## 8. TARGET BENEFICIARIES

This project actively engages both the public and private sector in Ethiopia based on a value chain approach. On the government side, the project will closely involve the *Ministry of Livestock and Fisheries* (MoLF), *Ministry of Health* (MoH), the *National Animal Health Diagnostic and Investigation Center* (NAHDIC) and four other regional laboratories, the *Veterinary Drug and Feed Administration and Control Authority* (VDFACA) and the *Ethiopian Meat and Dairy Industry Development Institute* (EMDIDI). The project will directly involve and benefit the Ethiopian Government, particularly at the local level. The capacity of Zonal and District Agriculture Development Offices will be strengthened through participation in training activities on good agricultural practices, SPS issues, which will enhance the quality and effectiveness of their extension services.

On the private sector side, the project involves the complete range of stakeholders involved in the meat value chain, notably small farmers in the project areas, processors, and traders, cooperatives and their members, the *Ethiopian Meat Producers and Exporters Association* (EMPEA) and the *Ethiopian Live Animals Traders Professional Association* (ELTPA). Through strengthening linkages between exporters and importers of meat in selected key meat markets in MENA and SE Asia, at least 10 trade deals will be negotiated and concluded between Ethiopian meat exporters and importers in MENA and South-East Asia.

Moreover, the project will contribute to strengthen the regulatory capacity of the country through enhancing competence of public regulatory institutions to perform official controls. The federal veterinary services will be capacitated in SPS negotiations, risk analysis, reviewing and updating legislations, SOPs and guidelines. Four regional veterinary laboratories in areas where animals are sourced for the export of meat will be supported, trained and coached in laboratory quality management and information management systems. The quality control laboratory of the *Ethiopian Veterinary Drug and Feed Quality Control and Administration Authority* will also be capacitated to perform laboratory analysis for the possible presence of residues in meat.

### a. Gender-related issues

Recognizing the key role that women perform in managing livestock in the smallholder household, the project will place special emphasis on engaging women through the project interventions. The inclusion of women will be ensured through the specification of targets for their participation in all key activities. The *Annual Work Plan and Budget* (AWPB) of the project will contain a specific gender action plan. This plan will be periodically reviewed by the *Project Management Office* (PMO) and the *Project Steering Committee* (PSC). Qualitative and quantitative indicators will be disaggregated by sex to track the project's performance in targeting women. The project will maintain a gender balance in training, with women comprising of at least 30 % of the trainees.

## 9. PROJECT OBJECTIVE, OUTPUTS AND ACTIVITIES (INCLUDING LOGICAL FRAMEWORK AND WORK PLAN)

### 9.1. PROJECT OBJECTIVE

The project aims at improving SPS compliance for market access in the meat export industry.

## 9.2. OUTPUTS

The project prioritizes interventions to address the lack of capacity along the meat value chain through the following outputs:

- Output 1: Strengthened capacity of the Competent Authority to apply, inspect and monitor SPS measures along the export meat value chain,
- Output 2: Increased coordination and linkages among the sector value chain actors including with destination markets.

## 9.3. PROJECT ACTIVITIES BY OUTPUTS

A series of activities are foreseen in order to reach the project's outputs as described above. These activities along with the performance indicators are detailed in the logical framework (Annex I) and explained below.

### **Output 1: Strengthened capacity of the Competent Authority to apply and monitor SPS measures along the export meat value chain,**

In order to access the global market, Ethiopia meat must be accompanied by veterinary health certification attesting to the animal health status of the country, the hygienic handling of the meat and its freedom from harmful residues. As the responsible authority for this certification, the competent authority is obliged to ensure that a comprehensive and effective official control system is in place. The project will support the competent authority to comply with SPS requirements of current and potential export markets for Ethiopian meat.

#### ***Activity 1.1: Support negotiation on SPS and related issues***

The project will explore opportunities to penetrate new markets, including exports of fresh (chilled) and processed meat to *Middle East and North Africa (MENA)*, and South East Asian countries. The Ethiopian competent authority will undertake a series of bilateral negotiations during project implementation, to discuss specific sanitary and phytosanitary issues related to meat exports from Ethiopia to other potential markets. The bilateral meetings and negotiations with potential importing countries will seek to reach agreement on the use of the principles of equivalence and *appropriate level of protection (ALOP)*

#### ***Activity 1.2: Support finalization of draft legislations***

Based on the outcomes of the OIE PVS evaluation and subsequent gap analysis reports as well as recommendations made by the OIE *Veterinary Legislation Support Programme (VLSP)*, the MoLF is working on a new unified policy and regulatory framework for animal health services, which complies with current scientific advances, as well as international standards and requirements of trading partners. So far, two primary bills and seven secondary bills have been developed and have been reviewed by the OIE legal expert team. The primary legislation deals with animal health, welfare and veterinary public health and the establishment of a *veterinary statutory body (VSB)*. The proposed secondary legislation deals with disease control and prevention, import export, control of primary livestock products, animal welfare, livestock identification and traceability, regulation of veterinary laboratories and regulation of veterinary professionals and paraprofessionals. The project will hire a veterinary legislation specialist to

review and finalize the bills in line with the recommendations of the OIE VLSP mission and facilitate consultative workshops involving all relevant stakeholders.

**Activity 1.3: Build the capacity of the risk analysis unit of MoLF**

This involves the establishment and capacitation of a risk analysis unit at the MoLF. A pool of experts within the Directorate of Epidemiology and higher learning institutes will be trained by an international expert on veterinary risk analysis. The purpose of the training is to develop capacity at national level to subsequently undertake qualitative risk analysis for the purpose of supporting export trade and developing risk-based control programmes. The participants in this training course will be trained to undertake their role as national risk analysis trainers. In this role they will cascade the training to a wider group of veterinarians working in the Regional Competent Authorities. The project will also provide risk analysis software and the OIE Handbooks on Risk Analysis to the unit.

The risk analysis unit will develop risk analysis documents for priority trade-sensitive diseases.

**Activity 1.4: Support the development of a national residue monitoring plan**

The OIE PVS Evaluation (2011) and Gap-Analysis (2012) reports identified the lack of capacity for residue monitoring at national level. Accordingly, a national residue monitoring plan will be developed to ensure that meat and meat products are free of adulterants and a wide range of biological and chemical contaminants. The plan will establish the frequencies and level of sampling and the substances to be controlled in meat. Chemical compounds to be considered in the plan include approved and unapproved veterinary drugs, pesticides, and environmental contaminants of concern for trading partners.

Applicable guidelines, such as the Codex Alimentarius' *maximum residue limits* (MRLs) will be used to determine the permitted residue levels.

**Activity 1.5: Introduce QMS and support accreditation of the residue testing lab at Kality**

The purpose of this activity is to assist the VDFACA's quality control laboratory to complete its preparations to become an operational, official laboratory. Technical capacity building will be carried out through the training of technical staff at the Kality quality control laboratory. This personnel will be trained to conduct high quality residue analysis that would be accepted by international standard setting bodies, such as Codex, or by other national governments for the establishment of MRLs. Capacity will be developed in areas of standard operating procedures, quality assurance systems, and methodology development in order to perform high-quality, reliable, residue testing. The laboratory will also be supported to acquire third party accreditation for selected and prioritized tests and residues.

**Activity 1.6: Introduce LIMS and QMS in regional labs along the meat export value chain (Yabello, Jijiga, Semera, Mekelle)**

The four regional laboratories involved in the meat export value chain (Yabello, Jijiga, Semera and Mekelle) will be strengthened to build basic export testing capacity. A laboratory *quality management system* (QMS) involving proficiency testing will be introduced. An effective *Laboratory Information Management System* (LIMS) involving both federal and regional veterinary laboratories and functional linkages and collaboration between regional and federal



veterinary laboratories will be established. NAHDIC will play a leading role in achieving these objectives and will ensure the provision of training to the four regional laboratories.

***Activity 1.7: Revise existing SOPs and guidelines related to livestock and meat and support their implementation (disease control, meat animal handling, quarantine, meat processing, meat handling and transporting)***

A total of fourteen SOPs and guidelines will be revised, updated, printed and implemented to ensure SPS compliance along the meat value chain. These are guidelines and *Standard Operating Procedures* (SOPs) developed by the (then) *Ministry of Agriculture* (MoA) in collaboration with the *Ethiopian Sanitary and Phytosanitary and Livestock and Meat Marketing* (SPS-LMM) Programme. The guidelines and SoPS define minimum requirements that livestock producers, meat processors, traders, transporters and others must satisfy in order to participate in the export trade. A total of 300 persons from export abattoirs, feedlots, markets operators, and Bole airport will be trained on the use and implementation of the SOPs.

**Output 2: Increased coordination and linkages among the sector value chain actors including destination markets.**

The project will improve public and private cooperation, networking and market linkages along the meat value chain and with national, regional and international trading partners. It will look at the linkages between farmers and exporters and strengthened them.

***Activity 2.1: Strengthen information exchange through website development***

The project will deploy a local expert to develop a fully functional website dedicated to SPS and related issues. The website will provide timely and regular information to exporters related to SPS and changing regulatory environment. The web-based repository will have publications related to official control procedures and minimum export standards. The system will enable registered users to access up-to-date versions of official control procedures relevant to their duties. Export business operators and members of the public will be provided with limited access to the repository enabling them to download information on the minimum requirements for export.

***Activity 2.2: Initiate and support bi-annual joint planning and consultation meetings between federal and regional states in Ethiopia***

The project will support the establishment of a coordination forum to enhance collaboration between the federal and three regional veterinary services. The coordination forum will convene bi-annually. It will address the weakness of the multi-level structure in relation to internal coordination and the management of operations and resources. This would be achieved through regular formal meetings between chiefs of animal health nationally and regionally to plan for and monitor key national priorities, formalize and institutionalize national disease control plans and develop a monitoring tool to evaluate the performance of federal and regional veterinary services in order to improve efficiency and effectiveness.

***Activity 2.3: Strengthen the existing national SPS committee;***

The project will support the strengthening of the national SPS committee. In general, these national SPS coordination mechanism appear to be at an early stage of development and the

committee members have not started meeting on a regular basis. The National SPS committee should serve as a national forum for dialogue and coherence on SPS matters, for resolving SPS issues affecting regional and/or international trade, enhance a country's implementation of the WTO SPS Agreement, discuss and prepare national positions and to enhance a country's participation in regional and multilateral SPS fora, monitor the country's capacity to implement SPS measures and make recommendations for technical co-operation. Moreover, through support from the project, SPS mandates will be streamlined, roles and responsibilities of partners will be clearly delineated across sector ministries and synergies with other programmes will be established.

The committee will carry out four annual regular meetings and additional extraordinary meetings depending on need basis. Representatives of all relevant government ministries and departments, as well as other stakeholders (such as the private sector, academia, consumers' associations, etc.) that have a particular involvement or interest in SPS issues will be included as members. Members include Ministry of Livestock and Fisheries (MoLF), Ministry of Health (MoH), Ministry of Agriculture (MoA), Ministry of Industry (Mol), Ethiopian Standard Agency (ESA) and other appropriate institutions including the private sector.

***Activity 2.4: Developing and implementation of SPS communication strategy for the meat export value chain***

The project will support the competent authority in developing an effective communications strategy to provide stakeholders with general and specific information related to SPS and build an enhanced partnership between the government, the private sector and trading partners. A local communication consultant will be hired to develop the strategy and craft messages targeting various audiences based on the type of information that stakeholders require and their preferred communication channels. One validation workshop will be organized involving at least 30 participants. At least 10 different communication messages will be disseminated to actors in the meat value chain.

***Activity 2.5: Strengthen linkages between exporters and importers of meat in selected key meat markets in MENA and SE Asia***

At least two business networking event will be organized to bring the trained and coached processors/exporters to meet prospective buyers. The networking event will be organized possibly back-to-back with a relevant trade fair. The project together with the sector association will contact and mobilize processors/exporters and buyers prior to the event. Advisory support will be provided to the selected participating companies to prepare them before the business networking event and to follow-up on the business contacts established after the event. At least 10 trade deals will be negotiated and concluded between Ethiopian meat exporters and importers in MENA and SE Asia through these trade fares and negotiation missions.

## **10. ENVIRONMENTAL-RELATED ISSUES**

No major negative environmental issues are anticipated for the project. The proposed Project will contribute to environmental conservation and sustainability because of its emphasis on making the livestock sector more productive through enhancing marketing and offtake, use the existing resources more efficiently and reduce wastage. The Project will not support activities that might generate significant irreversible or cumulative environmental impacts. Activities related to development of national residue monitoring plan and supporting the national residue

testing lab will enable safer use and application of pesticides and veterinary drugs and enhance effective control and mitigate the impact of environmental contaminants.

The proposed Project will strictly follow the existing environmental laws and regulations applicable in the country.

## 11. RISKS

s/n	Identified Risks	Mitigation Measures
1	Trade disruptions due to non-technical reasons	Regular dialogue with importing countries to improve the relationship with Ethiopia. Organizing exchange visits to win the hearts of decision making bodies.
2	Prolonged market access negotiations (reciprocal).	Build capacity for negotiation with importing countries and follow a stepwise approach. Start the negotiation process with countries that have less stringent SPS requirement and high demand for products of animal origin as quick win. Learn from the negotiation process, and start negotiating with the next categories of countries in terms of their SPS demand.  Developing a common position at IGAD level and using the common position as a negotiation framework is an important approach to be followed. Involving the OIE sub-regional office in the development of the common position is also helpful.
3	Limited willingness and absorption capacity of project beneficiaries to actively participate in the project activities and consistently apply the knowledge acquired on good practices	Careful identification of project beneficiaries from the outset based on baseline data collection; working with companies, farmers and sector associations willing to benefit from the project and which can operate as catalysts leading to higher levels of commitment to the project. Provide continuous advisory/coaching support to project beneficiaries by local experts trained by the project.
4	Business complementarities identified are not followed-up with concrete actions by companies and remain declarations of intent only	Match exports with corresponding import demand; help companies regroup their offer (through national experts and sector association) to facilitate exports in bulk; prepare companies before business networking event and provide them with advisory support to follow-up on business contacts, encourage/incentivize producers to supply good quality animals.
5	Limited response to disease reports by veterinary services	The project will help develop and operationalize standard operating procedures for responses to disease reports and establish a strong link between the project area and the four rapid response teams to be established with the support of LVC PPD II.
6	Some of the newly constructed abattoirs with cattle kill line may not start operation in the project period	The project will work closely with company owners, support them develop business plan and follow through so that they can be operational in the project period.
7	Delays in the promulgation of the draft legislations	The project office will work closely with veterinary services task force and lobby with government authorities and parliamentarians.
8	Limited participation of stakeholders in coordination forums and the business networking events	Identify companies which will attend events/trade fairs and mobilize them through trade support institutions like ministry of trade, and support part of their costs to attend the event

## 12. SUSTAINABILITY

This project is designed based on the demands and needs of project stakeholders, and on an initial request from government. It is in line with government priorities and all authorities involved in SPS related matters were seriously consulted and provided their strong support to the project as reflected in their support letters.

Private sector associations such as meat producers and exporters' associations are directly involved in the project implementation which is vital for replication and disseminating it to larger group of companies.

Because the project is focused on capacity building matters, and the principle of implementation is working through national experts and extension officers, the project will enable country partners to continue to provide relevant and effective support services even beyond the project life, further expanding the impact and sustainability of the project results. The code of practice and core training material will also be anchored to the relevant institutions.

The project, if approved will be part of the second *Growth and Transformation Plan* (GTP II) of the country and therefore activities will be followed-up and results replicated through the best practices towards a scaling-up and scaling-out strategy of the GTP II. The project will also promote public-private partnership.

Generally, because it is based on the interest of stakeholders, followed a participatory approach and the focus is on capacity building with in the existing institutional frameworks; the project will lay down an institutional capacity which is important for sustainability of planned activities.

## III. BUDGET

### 13. ESTIMATED BUDGET

The detailed project budget by output and activity is provided in Annex III.

The simplified project budget summary by output is presented as follows:

Output	Designation	STDF funding (USD)	Country funding	Total
1	Strengthened capacity of the Competent Authority to apply and monitor SPS measures along the export meat value chain,	352,350	36,200	388,550
2	Increased coordination and linkages among the sector value chain actors including destination markets.	443,100	56,000	499,100
Total		795,450	92,200	887,650

### 14. COST-EFFECTIVENESS

The project complements the government plans for boosting livestock and meat export trade of the country which is essential for ensuring successful implementation of the project cost-effectively. In addition, the project will focus its capacity building activities at relatively few

numbers of public and private sector staff and by doing so, it will reach out to a vast number of beneficiaries along the chain including livestock producers which will again contribute to cost-effectiveness and project sustainability.

Although the project will focus on export trade of livestock and meat, the knowledge and skills transferred through training and coaching tools and materials produced will be used for duplicating, propagating and maintaining results beyond project's life span and to meat produced for local consumption, thus contributing to promote food safety in the broader livestock sector of the country.

The project adopts a comprehensive value chain approach and the activities are based on gap assessments of past, present and future government and donor funded programme interventions. This avoids duplication of efforts and ensures cost effectiveness. The project is also designed by taking into account the concerns and interests of all relevant stakeholders along the chain for addressing the existing key gaps in the livestock and meat value chains.

The project benefits in terms of export revenues is expected to be much higher than the current cost resulting from under performance of export abattoirs and also losses in terms of trade bans and export market shares because of non-compliance with food safety and SPS measures.

#### **IV. PROJECT IMPLEMENTATION AND MANAGEMENT**

##### **15. IMPLEMENTING ORGANIZATION**

The overall responsibility for coordination and implementation of the project is proposed to reside within the Ministry of Livestock and Fisheries, particularly the State Ministry for Veterinary Services and Feed Quality Control, as it is the mandated institution to undertake many of the activities considered in the project and also has the experience of managing similar projects. Other implementing partners have also agreed that the Ministry should lead the project.

The Ministry of Livestock and Fisheries is entrusted with the following powers and duties by proclamation No. 196/2015 which defines powers and duties of the executive organs of the Federal Democratic Republic of Ethiopia:

- Promote the expansion of extension and training services provided to farmers, pastoralists, private investors and urban communities engaged in livestock and fish farming to improve the productivity of the sector;
- Establish a system that ensures quality standards of any livestock or livestock products supplied to the market; and follow up implementation of same;
- Build capacity for supplying, distributing and marketing of inputs for livestock and fisheries to ensure the reliability of their supply; establish and follow up the implementation of a system for quality control;
- Establish a system that ensures access to quality veterinary services to improve the prevention and timely control of animal diseases;
- Conduct quarantine on import and export of livestock, fish and their by-products; prevent communicable livestock diseases and the outbreak of migratory parasites.
- Establish and follow up the implementation of marketing system for livestock and fish and products of same;

- Ensure the proper administration and quality control of veterinary drugs and feeds as well as veterinary services.
- Develop a system that ensures integration and coordination of stakeholders engaged on livestock and fisheries research;
- Follow up the expansion of water resources, infrastructure and fodder banks necessary for livestock resource development in the pastoral areas; establish a system for natural and irrigated rangeland development and utilization, and organize national database;
- Promote fish production and supply;
- Provide technical support for the development of modern fish production system and creation of market linkage.

To assume and implement its responsibilities, the Ministry is organized into 17 technical and 10 support directorates and 5 specialized institutions. The technical directorates and the specialized institutions fall under two State Ministries: the State Ministry for Veterinary Services and Feed Quality Control which has mainly regulatory functions; and State Ministry for Livestock and Fisheries Production and marketing, mainly involved in livestock extension (see Organizational Structure of the Ministry below).

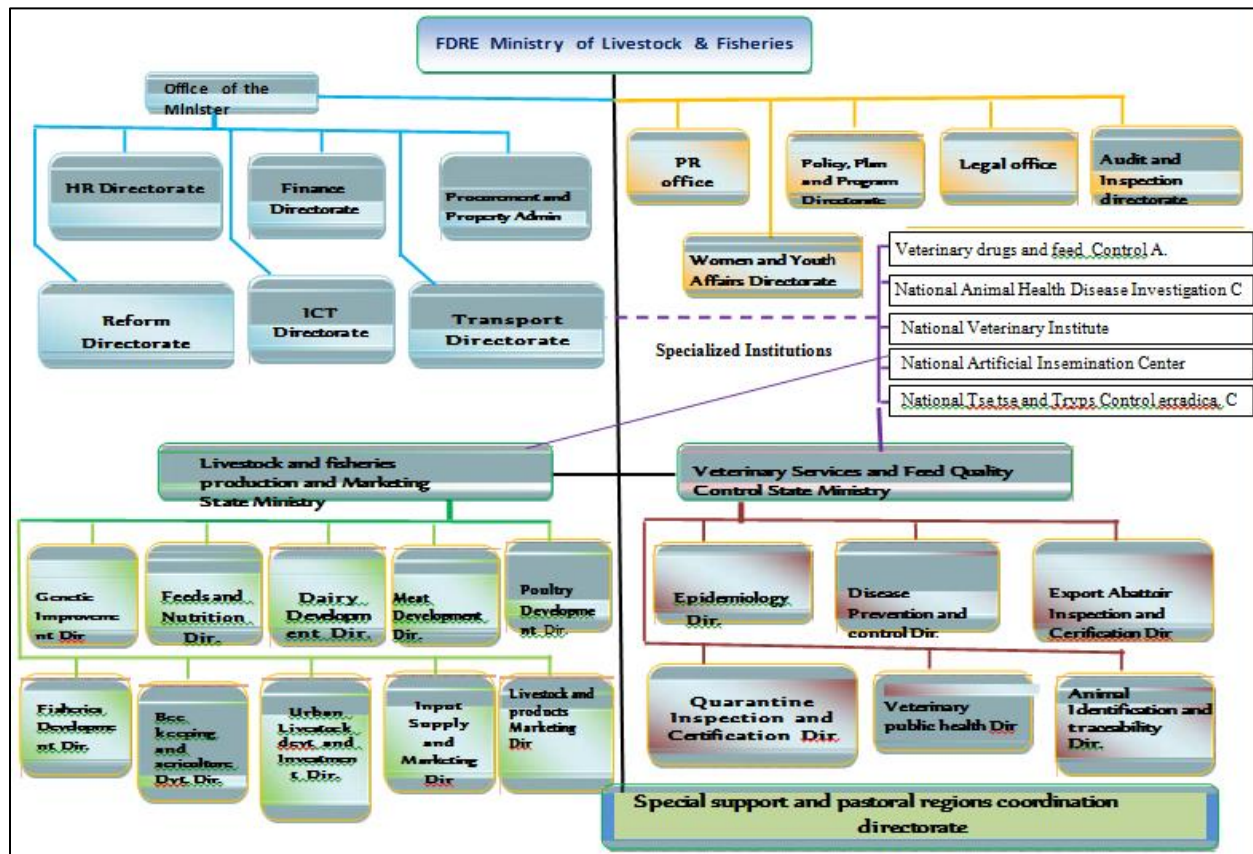


Fig 7 – Organizational Structure of the Ministry of Livestock and Fisheries of the Federal Democratic Republic of Ethiopia (2016)

The State Ministry for Veterinary Services and Feed Quality Control has 6 technical directorates supporting the private sector and smallholders in complying with SPS measures and improving

food safety management practices and processes along the livestock and meat value chain. Two of the directorates namely *Export abattoirs inspection and certification*, and *Quarantine inspection and certification* are dedicated exclusively to facilitating and regulating export of live animal and meat related matters. Three other directorates in the State Ministry, i.e. *Livestock identification and traceability*, *Epidemiology* and *Disease prevention and control* are also providing guidance and support to the State for managing sanitary risks. In the regional states, livestock development is under the responsibility of *Livestock Development Agencies* and/or the *Bureau of Agriculture*, depending on the regions. The Ministry of Livestock and Fisheries is working closely with *Livestock Development Agencies* and *Bureaus of Agriculture* in the execution of national plans.

The Ministry staff, together with development partners has been implementing similar projects aiming at addressing SPS compliance along the livestock and meat value chain. Projects such as “*Improving and Integrating Animal Health in the Livestock Value Chain through Public - Private Dialogue*” (IAH-LVC-PPD) and “*Sanitary and Phytosanitary Standards and Livestock and Meat Marketing Programme*” (SPS-LMM) are two good examples to be cited at this junction. Lessons learnt from these two projects are immense and will be implemented in this project as well. Currently the Ministry, together with FAO is managing the PPR SHARE project supported by the European Union. It is also implementing national ecto-parasite control program on small ruminants supported by the Federal Government of Ethiopia. Another project being implemented by the Ministry include Drought Resilience programme supported by the World Bank and the ADB. The second LVC-PPD supported by the EU under the EDF 11 is also on the pipeline and it is going to be managed by the Ministry.

Therefore, generally the Ministry has the expertise and experience of implementing and supervising SPS related projects and this project will benefit from being coordinated and implemented by the Ministry of Livestock and Fisheries, particularly the State Ministry for Veterinary Services and Feed Quality Control.

## **16. PROJECT MANAGEMENT**

The STDF is the Grant Authority for this project and will establish conditions for the payment of the project grant. Without prejudice to the terms of the Grant, the Grant Holder proposes the following implementation and management arrangements for the project.

The overall responsibility for coordination and implementation of the project will be with the State Ministry for Veterinary Services and Feed Quality Control, Ministry of Livestock and Fisheries. Identified partners (VDFACA, NAHDIC, EMDIDI, standards authority, meat and live animal exporters associations, the Ethiopian Veterinary Association) will implement components of the programme they are responsible for as per their specific competences (table 2). The Grant Holder is therefore the State Ministry for Veterinary Services and Feed Quality Control and partners will manage and directly administer the funds for the components they are responsible for, and shall report to, the *Project Management Office* (PMO) to be established under the State Ministry every quarter.

Indeed, the Grant Holder shall establish a *Project Management Office* or PMO which will assume the project management and coordination role. It will be responsible for monitoring project activities and progress towards the achievements of the expected project outputs and outcome, according to all the indicators and targets set in the project log-frame, with a baseline established at the outset of the project. The PMO will be composed of a project manager and



three key experts (two national and one international). The project manager will be appointed by and shall report directly to the State Minister. The role of the project manager shall be coordinating project activities, ensuring proper administrative control of project expenses and the timely delivery of reports. The project manager shall ensure quality management and internal audit arrangements are in place and shall take immediate corrective actions to address any deviation from the terms of the Grant. The two key experts will be assigned from the Directorates of *Export Abattoir Inspection and Certification*, and *Quarantine Inspection and Certification*, and shall be responsible for all technical matters. The international expert will be recruited through WTO service procurement procedures. The grant holder shall provide all necessary support and facilities to the team of experts during the implementation of the project.

Bi-annual and annual meetings will be organized between the PMO and partners to review the progress of the project, gather lessons learned, identify possible bottlenecks and risks, propose mitigation actions, and approve the *Annual Work Plan and Budget* (AWPB).

A *Project Steering Committee* (PSC) shall be established to oversee and provide guidance on project implementation and ensure compliance with the applicable policies and standards; monitor the progress of the project, facilitate access to relevant institutions and assure their timely and sufficient inputs where required. The PSC shall be chaired by State Minister for Veterinary Services and Feed Quality Control and co-chaired by the head of Ethiopian Meat and Dairy Industry Development Institute (EMDIDI). The manager of the project will serve as secretary for the PSC. Representatives from the direct project beneficiaries (all 6 directors under the State Ministry, NAHDIC and VDFACA, regions supplying livestock to the export value chain, meat producers and exporters association), the National SPS Committee, the Ethiopian Standards Agency and key stakeholders including the *Ethiopian Veterinary Association* (EVA) will be members of the steering committee. However, the exact composition of the PSC will be decided during the project inception phase and will be subject to the approval of the Grant Authority.

The PSC shall meet on a bi annual basis to oversee the progress and to promote ownership of the project by ensuring that the project beneficiaries and stakeholders are fully consulted on key decisions in the implementation of the project. The PSC shall take particular care to ensure coordination with other projects/programmes in order to achieve synergies as well as to avoid overlaps. The project office, using its secretarial role, shall produce relevant minutes of the meetings and keep records.

Table 2- Implementing institutions and responsibilities

s/n	Implementing Institution	Areas of partnership by activities
1	MoLF	1.1; 1.2; 1.3; 1.4; 1.5; 1.6; 1.7; 2.1; 2.2; 2.3; 2.4; 2.5.
2	NAHDIC	1.1; 1.2; 1.3; 1.6; 1.7; 2.2.
3	VDFHACA	1.3; 1.5; 2.3.
4	EMDIDI	1.7; 2.5.
5	Standards Authority	1.2; 1.4; 1.5; 1.6; 1.7; 2.3; 2.4.
6	Regions (Oromia, Somali and Afar)	1.2; 2.2.
7	EVA	2.2; 2.3; 2.4;
8	EMPEA	2.1; 2.2; 2.3; 2.4; 2.5

## **V. REPORTING, MONITORING & EVALUATION**

### **17. PROJECT REPORTING**

The PMO will coordinate the partners and prepare quarterly, biannual and annual project progress reports. The reports will be submitted to the State Minister and shared with the PSC members and other project partners not included in the steering committee. The biannual reports (technical and financial) will be submitted to STDF after being approved by the PSC. The progress reports will include the status and accomplishments of the project outputs and outcomes. A final report will be prepared at the end of the implementation period.

### **18. MONITORING AND EVALUATION, INCLUDING PERFORMANCE INDICATORS**

- Baseline data will be collected and analyzed at the beginning of the project along the entire value chain. Progress will be assessed against the data generated during the baseline studies.
- Evaluation forms will be prepared, distributed and collected at the end of every workshop, event and coaching activity and the results summarized in the progress reports and will be used as input to improve the organization of the next workshop or event;
- Discussions and comments from stakeholders at each workshop and event will be documented and used to improve project activities;
- Performance indicators as per the project logical framework will be monitored and reported in each progress report;
- The learning and application of learning by farmers and experts will be monitored and reported in each progress report;
- Progress reports will be prepared every six months for review by the project steering committee which will recommend mitigation actions if/as necessary; approved progress reports will be submitted to STDF via project management office;
- As the implementing body the State Ministry /Directorate will also monitor the project progress and results through its internal monitoring and result-based management (RBM) reporting systems.

### **19. DISSEMINATION OF PROJECT RESULTS**

- At each workshop and project activity, introduction to the project and its outcomes, project partners and STDF will be presented and explained to participants;
- The PMO will disseminate information related to the project progress and recommendations to the stakeholders and partners through official channel ;
- Workshops and project activities will be given full media coverage. In particular, the media will be invited to participate in workshops as well as some of the training sessions. The project will also be given publicity through regular press releases on the project progress and outcomes;
- The implementing authority and project partners will disseminate information and promote the project through their internal resource materials and communication means;
- Core and specific training material/manuals/leaflets, sensitization and capacity building materials elaborated during the project, including relevant trade information and market requirements, will be made available in print form to all the stakeholders. The ministry website will be used to facilitate access to the information;

- A dissemination workshop with media coverage will be organized at the end of the project;
- A project communication strategy and paper will be developed and made available

## ATTACHMENTS

### APPENDIX 1: LOGICAL FRAMEWORK

	Description	Measurable indicators of achievement / Targets*	Sources/Mean of verification	Assumptions and Risks
<b>Goal / Impact</b>	The project will contribute to increase export revenues of producers, feedlot operators and export abattoir owners along the meat export value chain in Ethiopia.	<ul style="list-style-type: none"> <li>15% increase in real average annual meat export value at national level by addressing importing countries' requirements within 3 years</li> </ul>	<p>National reports and statistics on livestock sector</p> <p>Customs and National Bank export data</p>	<p><b>Assumptions:</b> No unfavorable climate or weather events affecting livestock production No significant downturn in the prices of meat in the market</p> <p><b>Risks:</b> Trade disruptions due to non-technical reasons Prolonged market access negotiations (reciprocal).</p>
<b>Objective / Outcome</b>	The project aims at improving SPS compliance and linkage for market access in the meat export industry.	<ul style="list-style-type: none"> <li>The SPS certification system of Ethiopia accepted by 100% of the existing importing countries in MENA and at least 60% of the identified potential importing countries in SE Asia.</li> <li>At least 60% of export abattoirs in Ethiopia expand their export volumes/values by entering into new markets and expanding their customer base in SE Asia and MEANA.</li> </ul>	Feedback reports from prospective importing countries in MENA & SE Asia	<p><b>Assumptions:</b> Exporters are able to meet demand of buyers both in term of quality and price promised under contract Exporters are responsive and follow-up on buyers' solicitations</p> <p><b>Risks:</b> Limited willingness and absorption capacity of project beneficiaries to actively participate in the project activities and consistently apply the knowledge acquired are not followed-up with concrete actions by the project beneficiaries</p>
<b>Output 1:</b>	<b>Strengthened capacity of the Competent Authority to apply and monitor SPS measures along the export meat value chain</b>	<ul style="list-style-type: none"> <li>A total of 1 proclamation and 8 regulations enacted and enforced</li> <li>Four regional veterinary laboratories and Kaliti Quality Control lab implementing LIMS &amp; QMS.</li> <li>Negotiation carried out and trade agreement</li> </ul>	<p>M &amp; E reports</p> <p>List of endorsed legislations</p> <p>LIMS and QMS documentation of the labs</p> <p>Residue monitoring plans</p>	<p><b>Assumptions:</b> Commitment of managers at federal and regional to enforce the use of the standards and procedures NAHDIC maintains its technical lead in the coordination of regional labs In each participating</p>

	Description	Measurable indicators of achievement / Targets*	Sources/Mean of verification	Assumptions and Risks
		<p>concluded with three new importing countries</p> <ul style="list-style-type: none"> <li>- 15 SOP and guidelines applied along the value chain</li> <li>- Strong risk analysis unit established</li> </ul>	Trade agreements between Ethiopia and importing countries	regional states, <b>Risks:</b> Overt delays in the promulgation of the draft legislations
Activity 1.1.	Support negotiation on SPS and related issues	<p>Milestone</p> <ul style="list-style-type: none"> <li>- Negotiation carried out with potential importing countries</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Support 3 negotiation missions</li> </ul>	Negotiation mission reports	
Activity 1.2.	Support finalization of draft legislations	<p>Milestone</p> <ul style="list-style-type: none"> <li>- A total of 1 proclamation and 8 regulations reviewed &amp; finalized</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Local experts (review) and translation</li> <li>- Workshop</li> </ul>	<p>Number of legislations reviewed and updated</p> <p>Reports of stakeholders consultation workshops</p>	
Activity 1.3.	Build the capacity of the risk analysis unit of MoLF	<p>Milestone</p> <ul style="list-style-type: none"> <li>- Risk analysis unit established and risk analysis documents produced and at least 50% of them are of acceptable standard (peer review)</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Expert input</li> <li>- Training of staff from MoLF, Universities and labs</li> <li>- Inputs (software, manuals)</li> </ul>	Available risk analysis documents and testimonials	
Activity 1.4.	Support the development of national residue monitoring plan	<p>Milestone</p> <ul style="list-style-type: none"> <li>- A national residue monitoring plan developed</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Expert input</li> <li>- Local staff</li> <li>- Validation workshop</li> </ul>	Approved Residue monitoring Plan	
Activity 1.5.	Introduce QMS and	Milestone	QMS	

	Description	Measurable indicators of achievement / Targets*	Sources/Mean of verification	Assumptions and Risks
	support accreditation of the residue testing lab at Kality	<ul style="list-style-type: none"> <li>- QMS introduced, implemented &amp; accreditation granted to the quality control lab at Kality</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- International Expert input</li> <li>- Training of staff</li> <li>- Accreditation &amp; calibration (firm fee)</li> </ul>	<p>documentation</p> <p>Accreditation certificate</p> <p>Training materials and reports</p>	
Activity 1.6.	Introduce LIMS & QMS in regional labs along the meat export value chain (Yabello, Jijiga, Semera, Mekelle)	<p>Milestone</p> <ul style="list-style-type: none"> <li>- LIMS and QMS introduced in four regional labs from regions where export meat animals are sourced.</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Gap assessment by NAHDIC</li> <li>- Training of staff in 4 regional labs</li> <li>- Software subscription &amp; customization (LIMS)</li> </ul>	<p>Gap assessment and training reports</p> <p>LIMS and QMS documentation</p> <p>Accreditation certificate</p>	
Activity 1.7.	Revise existing SOPs and guidelines related to livestock and meat and support their implementation (disease control, meat animal handling, quarantine, meat processing, meat handling and transporting)	<p>Milestone</p> <ul style="list-style-type: none"> <li>- A total of fifteen SOPs and guidelines revised and updated</li> </ul> <p>Means</p> <ul style="list-style-type: none"> <li>- Review and update (local expert input)</li> <li>- Training of staff</li> </ul>	<p>Updated SOPs)</p> <p>Training reports</p>	
<b>Output 2:</b>	<b>Increased coordination and linkages among the sector value chain actors including destination markets.</b>	<ul style="list-style-type: none"> <li>- Coordination and collaboration on SPS measures improved nationally through <ul style="list-style-type: none"> <li>o Development of a national communication strategy</li> <li>o Conducting biannual joint planning workshops</li> <li>o Conducting quarterly SPS</li> </ul> </li> </ul>	<p>Report on the number of SPS coordination meetings and activities carried out</p> <p>Trade agreements, letters of intent</p>	<p><b>Assumptions:</b></p> <p>National legislation supports the effective coordination of veterinary services roles and responsibilities at federal, regional and district levels</p> <p>Partners are willing to work together</p> <p><b>Risk:</b></p> <p>Limited participation</p>

	Description	Measurable indicators of achievement / Targets*	Sources/Mean of verification	Assumptions and Risks
		committee meeting, - At least 8 trade deals concluded between Ethiopian meat exporters and importers in MENA and SE Asia		of stakeholders in coordination forums and the business networking events
Activity 2.1.	Strengthen information exchange through website development	Milestone - A fully functional website dedicated to SPS & related issues developed and launched  Means - Local expert input - Validation workshop on design and content	Project report and website	
Activity 2.2.	Initiate and support bi-annual joint planning and consultation meetings between federal and regional states in Ethiopia	Milestone - Bi-annual joint planning meetings carried out each year  Means - A national forum established which convenes bi-annually	Report on the number of SPS coordination meetings and activities carried out  Meeting minutes	
Activity 2.3.	Developing and implementation of SPS communication strategy for the meat export value chain	Milestone - One SPS communication strategy document prepared & implemented  Means - A local communication consultant hired to develop strategy & craft messages - Validation workshop - Dissemination of communication messages to actors	Document	
Activity 2.4.	Strengthening of the existing national SPS committee	Milestone - SPS committee meets every quarter and discusses and passes recommendations on SPS issues  Means - Inter-sectoral meeting - Delineation of duties and responsibilities	Report on the number of SPS coordination meetings and activities carried out	



	Description	Measurable indicators of achievement / Targets*	Sources/Mean of verification	Assumptions and Risks
Activity 2.5.	Strengthen linkages between exporters and importers of meat in selected key meat markets in MENA and SE Asia	<p>Milestone At least 10 trade deals negotiated between Ethiopian meat exporters and importers in MENA and SE Asia</p> <p>Means Through trade fares and negotiation missions</p>	Negotiation/trade fare reports	

## APPENDIX 2: WORK PLAN

Outputs & Activities	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Output 1: Strengthened capacity of the Competent Authority to apply and monitor SPS measures along the export meat value chain</b>												
Activity 1.1.												
Activity 1.2.												
Activity 1.3.												
Activity 1.4.												
Activity 1.5.												
Activity 1.6.												
Activity 1.7.												
<b>Output 2: Increased coordination and linkages among the sector value chain actors including destination markets.</b>												
Activity 2.1.												
Activity 2.2.												
Activity 2.3.												
Activity 2.4.												
Activity 2.5.												

### APPENDIX 3: PROJECT BUDGET

Outputs/Activities	Unit	Qty	Rate	STDF	Country
<b>Output 1: Strengthened capacity of the Competent Authority to apply and monitor SPS measures along the export meat value chain</b>				0	
<b>Activity 1.1. Support negotiation on SPS and related issues</b>				0	
Support 2 negotiation missions involving 2 MoLF management staff (including CVO) and 10 export abattoirs for concluding trade agreement with two new importing countries - 2 countries and each 7 days				0	
DSA (2 x 12 x 7 x 100)	Person country days	168	100	-	16,800
Air fare (2 x 12 x 1000)	Person air fare	24	600	-	14,400
Local transport cost	sum	1	5,000	-	5,000
<b>Activity 1.2. Support finalization of draft legislations</b>				-	
Local expert - to review and translate a total of 1 proclamation and 8 regulations	days	100	200	20,000	
Workshop of 30 person in 3 separate workshops - for validating legislations (each workshop for 5 days @30 USD per day)				0	
DSA	Persons	30	450	13,500	
Logistics	sum	1	3,000	3,000	
Popularization of proclamation and regulations	sum	1	15,000	15,000	
<b>Activity 1.3. Build the capacity of the risk analysis unit of MoLF</b>				-	
Expert input - to train MoLF staff on risk analysis (qualitative and quantitative))				-	
Fee - International expert input	days	15	650	9,750	
DSA - International expert	days	10	450	4,500	
Air fare	sum	1	1,000	1,000	
Local transport cost	sum	1	500	500	

Outputs/Activities	Unit	Qty	Rate	STDF	Country
Training of 20 staff from MoLF, Universities and labs on risk analysis				-	
DSA - @ USD30/day x 20 trainees for 15 days	Persons	20	450	9,000	
Logistics	sum	1	2,150	2,150	
Inputs (software, manuals, etc)	sum	1	7,000	7,000	
<b>Activity 1.4. Support the development of national residue monitoring plan</b>				-	
Local expert input to prepare a national residue monitoring plan	days	30	200	6,000	
Local staff costly	days	30	400	12,000	
Validation workshop to discuss on a national residue monitoring plan (1 day)				-	
DSA for 50 persons @20USD/day for 3 day	Persons	50	60	3,000	
Logistics	sum	1	1,300	1,300	
<b>Activity 1.5. Introduce QMS and support accreditation of the residue testing lab at Kality</b>				-	
International QMS expert input to introduce & accredited the quality control lab at Kality				-	
Fee - International expert input for introducing QMS	days	30	650	19,500	
DSA - International expert	days	20	450	9,000	
Air fare	sum	1	1,500	1,500	
Local transport cost	sum	1	1,000	1,000	
Training of staff on QMS (10 staff)				-	
DSA - @ USD30/day x 20 trainees for 10 days	Persons	20	300	6,000	
Logistics	sum	1	1,150	1,150	
Accreditation & calibration (firm fee)	sum	1	25,000	25,000	
<b>Activity 1.6. Introduce LIMS &amp; QMS in regional labs along the meat export value chain (Yabello, Jijiga, Semera, Mekelle)</b>				-	
Gap assessment by NAHDIC	sum	1	20,000	20,000	
Training of staff in 4 regional labs				-	
DSA - @ USD30/day x 20 trainees x in 4 batches for 10 days each	Persons	20	1200	24,000	
Logistics	sum	1	5,000	5,000	

Outputs/Activities	Unit	Qty	Rate	STDF	Country
Software subscription & customization (LIMS)	sum	1	20,000	20,000	
<b>Activity 1.7. Revise existing SOPs and guidelines related to livestock and meat and support their implementation (disease control, meat animal handling, quarantine, meat processing, meat handling and transporting)</b>				-	
Local expert input - to review a total of fourteen SOPs and guidelines for SPS compliance	days	45	200	9,000	
Training of 300 persons from export abattoirs, feedlots, markets operators, quarantine, Bole airport				-	
DSA -300 persons @15 per day/person in 6 rounds x 3 days each	person	300	270	81,000	
Logistics	sum	1	7,500	7,500	
	<b>sub total</b>			<b>337,350</b>	<b>36,200</b>
<b>Output 2: Increased coordination and linkages among the sector value chain actors including destination markets.</b>					
<b>Activity 2.1. Developing fully functional website dedicated to SPS &amp; related issues</b>					
Local expert input - web site development	sum	1	5,000	5,000	
Validation workshop on design and content				-	
DSA for 30 persons @USD 50/day for 1 day	Persons	30	50	1,500	
Logistics	sum	1	400	400	
<b>Activity 2.2. Initiate and support bi-annual joint planning and consultation meetings between federal and regional states in Ethiopia</b>				-	
Bi-annual joint planning and consultation meetings between federal and regional states in Ethiopia (15,000 x 3 years)	sum	1	45,000	45,000	
<b>Activity 2.3. Developing and implementation of SPS communication strategy for the meat export value chain</b>				-	
A local communication consultant hired to develop strategy & craft messages	days	45	200	9,000	
One validation workshop organized involving at least 30 participants				-	

Outputs/Activities	Unit	Qty	Rate	STDF	Country
DSA for 30 persons @USD 50/day for 2 days	Persons	30	100	3,000	
Logistics	sum	1	400	400	
At least 10 different communication messages disseminated to actors	sum	1	20,000	20,000	
<b>Activity 2.4. Strengthening of the existing national SPS committee</b>				-	
SPS committee carried out four regular and additional extraordinary meetings \$US 400 x 4x3 years	sum	1	4,800	4,800	
<b>Activity 2.5. Strengthen linkages between exporters and importers of meat in selected key meat markets in MENA and SE Asia</b>				-	
Organizing at least 2 trade missions to MENA and SE Asia	sum	1	20,000		20,000
Launching workshop	sum	1	15,000	15,000	
Project management unit				-	
Chief project advisor - international				-	
Fee - International expert - \$US 650 x 450 wd	days	450	650	292,500	
DSA - International expert	days	120	450	54,000	
Air fare	sum	1	4,500	4,500	
Local transport cost	sum	1	3,000	3,000	
National project manager (salary)	month	36	400		14,400
Local project support staff (salary)	month	36	300		10,800
Accountant	month	36	300		10,800
	<b>Sub total</b>			<b>443,100</b>	<b>56,000</b>
	<b>Grand total</b>			<b>795,450</b>	<b>92,200</b>

**APPENDIX 4: LETTERS OF SUPPORT FROM ORGANIZATIONS THAT SUPPORT THE  
PROJECT REQUEST (on the process and to be sent shortly)**

**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 (on the process and to be sent shortly)**



## **APPENDIX 6: TERMS OF REFERENCE FOR KEY STAFF INVOLVED IN PROJECT IMPLEMENTATION**

### **1. Team Leader**

#### **Profile**

- Postgraduate degree in veterinary medicine)
- Minimum of 10 years of post-graduation professional experience in the area of veterinary medicine and/or agriculture
- At least two years' experience in the implementation of national programmes on SPS matters
- Experience as Team Leader in at least one capacity building project funded by an international donor(s);

#### **Responsibilities**

- Manage the project team and coordinate activities between the VSD, NAHDIC, VDFACA and the donor body;
- Assume overall responsibility for the implementation of the project plan for the achievement of project results;
- Monitor progress in line with the approved work programme and budget provisions and to ensure the high quality of all project outputs;
- Provide expertise in animal health policy-making, implementation and enforcement;
- Manage the use of the incidental expenses budget to ensure that best value for money is obtained;
- Ensure consistency among the various components of the project, and related activities, as foreseen by the project document;
- Foster and establish links with collaborating partners and other relevant stakeholders as deemed appropriate and necessary, at various level.
- Be responsible for coordinating, overseeing the preparation of, and the delivery of project progress, consultants' and other reports as envisaged by the project document and ensure timely submission to concerned bodies;
- Develop and oversee an effective monitoring and evaluation programme for the project. Develop a process, whereby the project assesses best practices as it gains experience.
- Contribute to other activities of the project team.

### **2. International Risk Analysis Expert**

#### **Profile**

- University degree in the field of veterinary medicine, agriculture or a related discipline
- at least 5 years of relevant professional experience in SPS-related risk management;
- up-to-date knowledge of quantitative and qualitative risk analysis theory and practical methods;
- practical experiences in the development of teaching materials;
- experience in the implementation of international projects dealing with risk analysis;

#### **Responsibilities**

- Provide training for VSD experts on Qualitative & Quantitative Risk Analysis and to prepare them for their role as National Risk Analysis Trainers;
- Prepare training curriculum and programme for central and regional level training activities

### **3. International negotiation expert**

#### **Profile**

- Advanced degree (Masters Degree or equivalent) in International Trade Law or related field of studies.
- At least eight (8) years' experience in Trade negotiations
- Proven experience of directly supporting developing countries' trade negotiation processes, including in providing policy advice at senior level.
- Demonstrated experience of delivering capacity building initiatives to trade negotiators, on the basis of needs.
- In-depth knowledge of the WTO SPS Agreement.

#### **Responsibilities**

- The consultant will develop negotiation skill training manuals, tools, and presentations to be utilized in delivering "International Business Negotiation Skills Training". The training materials should cover; overview of the global trade landscape with particular emphasis on livestock, positional bargaining, developing negotiation strategies, and principles & practices of negotiation.
- Provide training to senior officials and staff of the competent authority and the private sector on trade negotiations.

### **4. Local communication specialist**

#### **Profile**

- This assignment is expected to be accomplished by an expert with the following qualifications:
- Post-graduate degree in media, communications, management or related field;
- 10+ years of experience working in relevant media and communications assignments – preferably in the NGO sector;
- Demonstrable success in conducting communications needs analysis as well as managing public relations and media campaigns for large institutions or development projects.

#### **Responsibilities**

- Develop a communication strategy to enhance Ethiopian meat export trade;
- Gather and analyze information (documents, reports, legal instruments, and website) in order to identify and define issues and potentialities of the communication development plan;
- Meet with representatives of the various stakeholders in the livestock value chain to understand perceptions, behaviors, needs and opinions;
- Develop implementation modality of communication strategy for each group of audience and methods of delivery;
- Prepare detailed action plan, time-frame and budget for the implementation of a communication strategy, differentiated for each target group, identify audience segmentation, desired target, behaviors, core messages and tools.

## **5. Local Monitoring & Evaluation Expert**

### **Profile**

- University degree in social or economic science, development, a health-related subject or equivalent standard of education;
- Formal training in monitoring and evaluation is an advantage;
- At least 5 years working experience in monitoring and evaluation of projects and/or programmes;
- Experience in the management and coordination of animal health related projects;
- Experience and skills in training and transfer of knowledge;

### **Responsibilities**

- Provide training for MoLF officials and assist them to establish procedures for the evaluation of the efficacy of delivered programmes, including:
  - o Definition of programme success factors;
  - o Establishing the baseline
  - o Use of available data sources
  - o Roles and responsibilities (viz a viz report & assessment)
  - o Identifying lessons to be learned

## **6. Local IT Expert**

### **Profile**

- University Degree in Information Technology or similar;
- At least 5 years' experience in the design and deployment of web-based applications;
- Previous experience in designing, installing and providing training on a large scale, public access, web-based document management system.

### **Responsibilities**

- Design a web-based repository for the publication of official control procedures and minimum export standard using open source tools. The system shall enable registered users to access up-to-date versions of official control procedures relevant to their duties. Export business operators and members of the public will be provided with limited access to the repository enabling them to download information on the minimum requirements for export;
- Install and deploy the system on web servers provided by the Ministry of Livestock and Fisheries and carry out performance testing of the system;
- Provide training to MoLF staff on managing the system and updating its contents.

## **7. International residue monitoring plan developer**

### **Profile**

- University degree and post-graduate qualification (at least at Masters level) in biochemistry or related discipline;
- Minimum of ten years' post-graduate professional experience working in analytical biochemistry laboratories, including experience in the detection and quantification of residues of veterinary medicinal products, anabolic agents, pesticides, heavy metals and mycotoxins;

- At least 5 years' experience as the head of an analytical laboratory responsible for performing official tests within the framework of a national food safety monitoring programme.

#### **Responsibilities**

- Assist in the development of a testing programme to control veterinary drug, pesticide, and environmental contaminant residues in meat;
- Determination of compounds that are a food safety concern and develop a comprehensive list of chemical compounds to be included in the national residue plan;
- Determine the type of samples to be taken and the sampling levels and frequencies for meat;
- describe the actual operation of the residue plan and actions taken to deal with unsafe residues as they occur;
- Provide oversight mechanism of laboratory capabilities and analytical methodologies to ensure the validity and reliability of test data;
- Identify the laws, regulations, or other decrees that serve as the legal authority for the implementation of the programme.

### **8. International Residues Laboratory Expert**

#### **Profile**

- University degree and post-graduate qualification (at least at Masters level) in biochemistry or related discipline;
- Minimum of ten years' post-graduate professional experience working in analytical biochemistry laboratories, including experience in the detection and quantification of residues of veterinary medicinal products, anabolic agents, pesticides, heavy metals and mycotoxins;
- At least 5 years' experience as the head of an analytical laboratory responsible for performing official tests within the framework of a national food safety monitoring programme;
- Lead assessor for ISO 17025.

#### **Responsibilities**

- Assist VDFACA staff to identify essential items of laboratory equipment necessary to initiate analytical tests for the detection of residues of veterinary medicinal products, prohibited anabolic agents, pesticides, mycotoxins and heavy metals in samples submitted from live animals and livestock products;
- Prepare standard operational procedures for the performance of required analytical tests, taking account of the equipment available in the VDFACA laboratory;
- Assist VDFACA staff to establish a Laboratory Quality Management System conforming to ISO 17025;
- Assist VDFACA to establish links with an international residues laboratory capable of supporting inter-laboratory proficiency testing