

PROJECT PREPARATION GRANT (PPG)

APPLICATION FORM-3

1. PPG title	To Harmonize the Legal, Regulatory and Institutional Framework for Sanitary and Phytosanitary (SPS) control Management System
2. Theme 1, 2 and/or 3	2
3. Starting date	To Be Confirmed
4. Completion date	Within Tanzania's Financial Year 2008/09
5. Requesting organization(s)	Ministry of Industry, Trade and Marketing (Appendix 1).
6. Proposed consultant(s)	STDF Secretariat to provide a shortlist of appropriate consultants.
7. PPG background and rationale	<p>Tanzania has adopted the export-led growth strategy as an engine for achieving its National Strategy for Growth and Reduction of Poverty (NSGRP) target to reduce poverty by half by 2010. The strategy necessitates diversification into and expansion of export of non-traditional food and agricultural products. Export of food and agricultural products to high value markets demands for compliance with stringent regulations and private standards relating to food safety and animal and plant health. Tanzania has the necessary basic framework for SPS control management system. However, the overall level of management remains ineffective because the food safety control management system is fragmented, involving multiple pieces of legislation and institutions which are not properly coordinated. Tanzania desires to harmonize the activities of the various institutions, so as to minimize duplication of activities and overlap of responsibilities in order to make the system more effective. To this effect,</p>

	<p>Tanzania is seeking for the financial and technical assistance of the Standards and Trade Development Facility (STDF), in preparing a project document on “Harmonization of the Legal, Regulatory and Institutional Framework for Sanitary and Phytosanitary (SPS) control Management System” with the objective of attracting donors to provide support for implementing the project.</p> <p>An effective and efficient SPS control management system is necessary for ensuring food safety, protecting the lives and health of people, animals and plants as well as promoting trade, particularly, exports by building the confidence of consumers on the safety of the country’s food products.</p>
8. Resultant project objectives	The main objective is: To improve and strengthen the coordination mechanism among institutions by removing duplication of activities and overlaps of responsibilities so as to make the SPS control management system more effective.
9. PPG outputs	<p>The expected output of the PPG will include:</p> <ul style="list-style-type: none"> • A list of laws, regulations and institutions that deal with SPS control; • Report on the stakeholders workshop; • A bankable project document in the STDF-PPG format acceptable by donors for providing technical and financial support for implementing the project.
10. PPG activities	<p>PPG activities will include:</p> <ol style="list-style-type: none"> (i) Carrying out field study to identify the various laws, regulations and institutions that are involved in the management of SPS control system; (ii) Study activities and responsibilities of the various institutions relating to SPS; (iii) Identify activities that duplicate or responsibilities that overlap and areas of possible collision of interests; (iv) Identify cost elements with estimated figures for implementing the project;

	<p>(v) Conduct workshops to sensitize stakeholders on the importance of SPS and the importance of food safety and agricultural health to the people and to the competitiveness of the country and firms in the international markets;</p> <p>(vi) Compile a report on the field activity;</p> <p>(vii) Propose course of action to address the pitfalls in the existing system;</p> <p>(viii) Produce a bankable project document.</p>
11. Timetable	Between September 2008 and June 2009.
12. Private/public sector co-operation	Stakeholders to be involved in the sensitization workshop.
13. Budget	STDF Secretariat to provide consultant who will establish the cost. Total cost not to exceed US\$ 30,000 available under STDF- PPG.
14. Non STDF contributions	The Ministry of Industry, Trade and Marketing library will provide the initial source of material for the identification of laws, regulations and institutions that are involved in SPS related matters.

Appendix 1: Supporting letters

Appendix 2: Description of PPG background and rationale

CONCEPT NOTE

1 Project Title: TO HARMONIZE LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR SANITARY AND PHYTOSANITARY (SPS) CONTROL MANAGEMENT SYSTEM

2 Requesting Government/Agency:

Ministry of Industry, Trade and Marketing; United Republic of Tanzania

3 Collaborating Agencies:

Ministry of Agriculture, Food Security and Cooperatives
Ministry of Health and Social Welfare
Ministry of Livestock Development and Fisheries
Ministry of Natural Resources and Tourism
Ministry of regional Administration and Local Government
Tanzania Bureau of Standards
Tanzania Food and Drug Authority

4. Background

With a per capita income of US\$445.12 (2007)¹, Tanzania ranks 159th out of 177 countries in the 2007 UNDP Human Development Index (HDI). Agriculture remains the backbone of the economy, contributing 25.8 of GDP in 2007, accounting for almost 40% of merchandise exports and employing over 80% of the labour force. The manufacturing sector is still underdeveloped contributing about 7.8 percent of GDP in 2007. In 2007 Services accounted for about 43.3% of the country's GDP. The mining sector's contribution to GDP rose to 3.5 per cent in 2007 from 3.2 in 2006.

Tanzania's National Trade Policy of 2003 adopts the export-led growth strategy as an engine for attaining the requisite rates of growth for poverty eradication. In the National Strategy for Growth and Reduction of Poverty (NSGRP), the country has set a target to reduce poverty by half by 2010 a task that requires sustained economic growth rate above 7 percent per annum. This in turn calls for strong and sustained export performance.

Tanzania is heavily dependent on export of primary traditional cash crops namely: coffee, tea, cotton, cashews, sisal, cloves, and pyrethrum for foreign exchange

¹ Equivalent to Tshs 548,388 at exchange rate of US\$ 1= Tshs 1232.8

earnings. This situation makes the country vulnerable to risks associated with price volatility induced by supply shocks resulting from weather conditions and the resultant declining terms of trade. The country is taking deliberate measures to address this problem by diversifying into and expanding export of non-traditional agricultural products such as horticultural products, fish and fisheries products, livestock and tourism. Europe is the main destination of most of food and agricultural exports from Tanzania.

Tanzania is a member of the East African Community. Other members of the Community are Burundi, Kenya, Rwanda and Uganda. In January 2005 the Community adopted a common external tariff (CET). Adoption of the CET has led to reduction in MFN tariffs from an average rate of 13.5 percent in 2003 to 12.9 percent. In October 2006 Tanzania, Kenya and Uganda presented to the World Trade Organization (WTO) a joint Trade Policy Review (TPR) for the first time.

Although Tanzania's legislation relating to international trade still rests on a variety of statutes, the Ministry of Industry, Trade and Marketing holds a leading role in formulating, implementing and coordinating the country's trade related policies. The private sector and NGOs provide input into trade policy formulation through trade associations such as the Confederation of Tanzania Industries (CTI) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA).

Tanzania continues to harmonize its national standards with international and regional standards, particularly with those of the EAC. The Tanzania Bureau of Standards (TBS) is responsible for the promotion of standardization and quality assurance and has mutual recognition agreements with Kenya and Uganda. As the country seeks to expand and diversify its food and agricultural exports, it will have to deal increasingly with food safety, animal and plant health requirements imposed by trading partners.

The Diagnostic Trade Integration Study (DTIS) carried out in 2004 under the WTO Integrated Framework for Technical Assistance (IF) identified priority sectors for concentration and recommended a series of actions needed to be taken in order to enhance the export capacity for the country. As part of the process to implement the DTIS recommendations, the country has formulated the Tanzania Trade Integration Strategy (TTIS) which has two main purposes, namely: to provide a single framework for strengthening the ownership of the trade sector development agenda and all current and future Aid-for-Trade interventions by the Government and also to provide a mapping of current development needs and priorities within the trade sector, the role of current and planned bilateral development assistance and areas for possible intervention by donors through the

Enhanced Integrated Framework (EIF). The TTIS has been adopted by the Government.

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Tanzania has the necessary basic framework for SPS control management. However, the overall level of SPS management remains weak because the country's system of food safety controls and promotion rests on several fragmented pieces of legislation, involving multiple institutions which do not always work in a coordinated manner. Responsibility for food safety control is shared between different ministries, departments and agencies (MDAs) resulting in duplication of activities, overlaps in mandate, fragmented surveillance and lack of coordination; rendering the system ineffective.

5 Objectives

The main objective is: To develop a project, the implementation of which will improve and strengthen institutional coordination mechanism thereby making the SPS control management system more effective.

The specific objectives for applying for the project preparation grant (PPG) are:

- (i) To secure from STDF, technical and financial assistance for preparing a bankable project document capable of convincing donors to support the implementation of the project;
- (ii) To secure the assistance of the STDF Secretariat in identifying experts and soliciting the financial and technical support of donors for implementing the project;
- (iii) To seek the financial support of the STDF Secretariat for conducting a stakeholders sensitization workshop as part of the PPG.

6 Rationale

Access to markets and sustained demand for the country's agricultural food products in the world markets lie in building up the trust and confidence of importers in the quality and safety of the Tanzania's food supply system. The plethora of laws and institutions for implementing the food safety standards, none of which monitors food for export, has resulted into a system which is fragmented ineffective and difficult to administer and which does not assure food safety or quality or promote export of food and agricultural products for the country.

7 Activities

Tasks to be performed will include:

- (i) Carrying out field study to identify laws, regulations and institutions that are involved in the management of SPS control system;
- (ii) Study activities and responsibilities of the various institutions relating to SPS and identify activities that duplicate or responsibilities that overlap;
- (iii) Identify areas of possible collision of interests;
- (iv) Identify cost elements with estimated figures for implementing the project;
- (v) Conduct workshops to sensitize stakeholders on the importance SPS in protecting food safety and agricultural health and promoting the competitiveness of the country and firms in the international markets;
- (vi) Compile a report on the field activity;
- (vii) Propose course of action to address the pitfalls in the existing system;
- (viii) Produce a bankable project document for submission to donors.

8 Project impact

Apart from safeguarding the health and safety of people and protecting animals and plants from SPS risks, a sound SPS management system will instill confidence among trading partners, stimulate economic growth and help in alleviating poverty. Access of the country to food export markets greatly depends on the capacity to meet the regulatory requirements of importing countries. Creating and sustaining demand for food products in world markets relies on building the trust and confidence of importers and consumers in the integrity of their food system. Agriculture being the focal point of our economy, food protection measures are essential.

9 Expected output

The outcome of the project will be a framework for an integrated and coordinated food control system that clearly lays down the role of government agencies (MDAs), the food industry and consumers and establishes mechanisms for co-operation among MDAs and the means of dealing with existing or emerging food safety and quality challenges; providing coherence in the national food control system. It will be a system that:

- promotes uniform application of control measures across the entire food chain throughout the country;
- provides food safety authorities with effective tools to respond promptly to hazards in the food supply and to in a timely fashion
- separates risk assessment and risk management functions, resulting in objective consumer protection measures thereby creating the requisite confidence among domestic consumers and credibility with foreign buyers
- promotes the use of preventative food safety systems
- Promotes self-compliance of SPS standards by food producers, manufacturers, processors and distributors

Cost

The Standards and Trade Development Facility (STDF) provides project preparation grants, up to US\$30,000 for developing coherent project proposals on SPS capacity building. The consultant identified by STDF Secretariat will develop the budget within the PPG limits.

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