

STDF PROJECT PREPARATION GRANT (PPG) APPLICATION FORM

The Standards and Trade Development Facility (STDF) provides Project Preparation Grants (PPGs), up to a maximum of US\$50,000, for the following purposes (or a combination thereof):

- application of SPS-related capacity evaluation and prioritization tools;
- preparation of feasibility studies that may precede project development to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and/or
- Preparation of projects proposals that promote compliance with international SPS requirements, for funding by the STDF or other donors.

Applications that meet the STDF's eligibility criteria are considered by the STDF Working Group, which makes the final decision on funding requests. Complete details on eligibility criteria and other requirements are available in the *Guidance Note for Applicants* on the STDF website (www.standardsfacility.org). Please read the *Guidance Note* before completing this form. Completed applications should be sent by email (as Word documents) to STDFSecretariat@wto.org.

PPG Title	Improving sanitary capacity and facilitating export of livestock and livestock products in Ethiopia
Budget requested from STDF	US\$ 37,500
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Full name and contact details of contact person for follow-up	Dr Getnet Abie Mekonnen National Animal Health and Disease Investigation Centre (NAHDIC), P. O. Box 04, Sebeta, Ethiopia Tel: +251 113383669, +251 911089729 Fax: +251 113380220 E-mail: getabmek@yahoo.com , getnet.abie.mekonnen@gmail.com

I. BACKGROUND AND RATIONALE

- 1. What is the purpose of this PPG? Explain whether it is requested to: (i) apply an SPS-related capacity evaluation or prioritization tool; (ii) prepare a feasibility study (prior to project development) to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and/or (iii) prepare a project proposal for consideration by the STDF or other donors?**

The purpose of this Project Preparation Grant (PPG) is to develop a proposal for a larger Project Grant focused on improving sanitary capacity and facilitating export of livestock and livestock products.

Ethiopia is a country with agriculture lead economy that has recognized agricultural export trade as an important means to economic development and poverty alleviation. This has already been clearly stated in the Growth and Transformation Plan (GTP) of Ethiopia (2010/11-2014/15). Greater participation in world trade could provide additional opportunities to address the challenging issues of economic growth and poverty reduction. To this end the country has established several trading partners for its agricultural products (cereals, coffee and animal and animal products). Hence, the sanitary and phytosanitary (SPS) measures should be in compliance with the international or regional standards guidelines, regulations and recommendations in order to get access to better markets and build a trust of Ethiopia's trading partners with regard to protection of human, animal and plant health in their respective countries. Ethiopia is striving to join the World Trade Organization (WTO). To this end, Ethiopian Diagnostic Trade Integration Studies (DTIS 2004) has been tailored to facilitate Ethiopia's accession to the WTO. The DTIS has identified a number of constraints and issues that affect the performance of the trade sector in Ethiopia, including legal and regulatory environment, institutional capacity, and trade facilitation. Along the line, Ethiopia is committed to become an effective trading partner of importing countries through provision of quality products and application of efficient and effective quarantine control system as part of SPS measures. The SPS measures and their implementation are compulsory provisions for WTO membership for the protection of human, plant and animal life and health within the country as well as for that of the trading partners. Similarly, an effective SPS program would also ensure that quality goods are available for consumption within Ethiopia. This entails the establishment of a legal framework in compliance with international standards, recommendations, regulations and guidelines. This has been indicated in DTIS (2004) recommendations. The Ministry of Agriculture and its regulatory sections are entrusted to implement the SPS measures for agricultural products. This includes a comprehensive assessment of the sanitary requirements for the improvement of animal and animal product exports.

This PPG is designed to assess the SPS gaps (particularly the sanitary) and the level of awareness at different institutions, and the human resource development needs. Specific objectives are to: a). Identify technical Sanitary barriers in the public-private sectors; b) Review animal health quarantine procedures and facilities to determine their ability to support export trade; and c). Review existing animal health laboratory capacity to determine its sufficiency to support export trade. Apart from making recommendations for

the improvements of the national animal health laboratory and quarantine capabilities, these reviews would form a foundation for the generation of Project proposal for submission to STDF, by January, 2015, with the goal of enhancing the sanitary capacity in Ethiopia. The objectives of the Project Grant proposal will be to: i) establish legal and institutional framework for the application of Sanitary measures; and ii) Establish a training centre for sanitary policy and practice and risk analysis in accordance to OIE standards, regulations, recommendations and guidelines.

2. Explain the key SPS problems and/or opportunities to be addressed. Clarify why these issues are important, with attention to market access and poverty reduction. Describe, if relevant, how these issues relate to SPS priorities in the Enhanced Integrated Framework's Diagnostic Trade Integration Studies (DTIS), the findings of SPS-related capacity evaluations, national poverty reduction strategies, sector development strategies or policies, etc. See Qn. 7. (b) – (d) of the Guidance Note.

Ethiopia has a variety of agricultural products that have good export potential, especially into higher-value markets in developed countries. However, there are significant market access barriers of the kind covered by the SPS Agreement. Even though the institutional arrangements for SPS implementation, with respect to agricultural products in Ethiopia are not well coordinated, the Animal Quarantine Department and diagnostic laboratories under the Animal Health Directorate have taken significant initial steps. There are several initiatives such as establishment of laboratory for veterinary quality control and introduction of livestock traceability system. Animal quarantine and laboratory testing system are already functioning. Performance Veterinary System (PVS) evaluation was undertaken by the OIE in 2011. Following the PVS evaluation gap assessment surfaced, among others, the following gaps: Slaughter house hygiene and inspection; inspection at the collection sight and processing, residue testing, animal product safety, livestock, product traceability and risk analysis, zoning and compartmentalization. Following this a strategic document is being developed. Similarly, the assessment by Common Market for Eastern and Southern Africa COMESA (2013) on the priorities for SPS capacity building has indicated gaps in a few areas with respect to sanitary issues: meat export (de-boning & vacuum packing chilled products), veterinary drug testing, animal traceability and livestock management for specific diseases. Conducting a comprehensive assessment of the sanitary capacity and creating a plan for improving the regulatory activities and the identified gaps remain strategic priorities.

It is recognizable that the effective implementations of sanitary measures, in its totality, are not within the reach of many developing countries at the moment. This is mainly attributed, among other factors, to lack of legal framework, existing low level of awareness among policy and decision makers regarding SPS provisions and measures, inadequate technical capacity/skills, and insufficient resource to implement the sanitary system. The few existing attempts are not well coordinated. To this end, it is imperative to raise awareness of policy and decision makers based in different ministries and institutions. It is expected that the internationally recognized legal and institutional framework for animal health will be established as a basis for an effective National Veterinary Services. Technical staffs working

in the government and in private sectors also need training to implement SPS measures in the country.

There is no sanitary centre of excellence in the sub-region although there is one in Kenya on phytosanitary measures. Hence, a strong SPS capacity with required level of expertise in SPS matters that has a support of committed policy and decision makers is needed immediately to enhance export market access.

3. Which government agencies, private sector, academic or other organizations support this PPG request? Letters of support from each of these organizations would be advantageous (Appendix 1). See Qn. 7. (e) of the Guidance Note.

This project will be implemented by National Animal Health and Disease Investigation Centre (NAHDIC), under Animal Health Directorate, Ministry of Agriculture. In the country, the project is supported by the Ministry of Trade; Quality and Standard Authority of Ethiopia and by private exporters. The Center for Computational Epidemiology, Bioinformatics and Risk Analysis (CCEBRA), Tuskegee University, Alabama, USA, has provided SPS capacity building training to the Ministry of Agriculture for over ten years with funding support from the U.S. Department of Agriculture. It will continue to do so; and will have role in assisting the Government of Ethiopia through consultation during the development of the proposed Project Grant.

[The letters of support are attached as Appendix 1].

4. How does this PPG complement and/or build on past, ongoing and/or planned national programmes and/or donor-supported projects? See Qn. 7. (f) of the Guidance Note.

The Ethiopian Diagnostic Trade Integration Study (DTIS) action Matrix (2004) identified the priority areas to which the government should give attention to better mainstream trade in the national development agenda. The need to enhance quality and compliance to international standards to address SPS related issues in Ethiopia are part of the priority areas identified by the DTIS. Contingent on this, the Ethiopia Growth and Transformation Plan has targeted significant export revenue from the livestock sector in its five year strategic growth and transformation plan (2010/11- 2014/15). All donor supported projects are harmonized to work for the achievement of the goals of the plan in direct or indirect ways. Previously, the USAID funded project (SPS-LMM) has laid basis on a certain sanitary issues with respect to export of animals and animal products by introducing the SPS certification system. The project has proposed SPS certification system that supports to maintain disease free animals through strict managements and biosecurity procedures at the feedlots to produce beef (commodity based trade) that poses less risk to importing countries. Livestock traceability and identification system (LITS) is about to be piloted in a selected area along the value chain with the USAID funded project, Livestock Market Development (LMD) Project. This PPG and the project to be developed would advance the past initiatives further. Furthermore, this PPG application if approved will complement and

further advance the existing experiences, national plans and program to establish priorities in the SPS capacity.

5. Have you discussed this PPG request – or funding for the project proposal which would result from it – with any potential donors (bilateral, multilateral, Enhanced Integrated Framework, etc.)? If so, provide details below and indicate potential sources of funding for the resulting project. See Qn. 7. (g) of the Guidance Note.

Not yet, the plan is to submit the PPG request first and project proposal later for STDF support.

II. IMPLEMENTATION & BUDGET

6. Who will take the lead in implementing this PPG? If particular national experts and/or international consultants are proposed, attach a copy of their Curriculum Vitae and record of achievements (Appendix 2). If no names are provided, the STDF will provide a shortlist of consultants if the PPG request is approved.

We expect an international consultant assisted by national expert

7. In the table below, briefly describe the main activities to be carried out under this PPG and specify who would be responsible. Provide an estimate of the budget required (e.g. for national/international expertise, travel and DSA of consultants, stakeholder meetings or workshops, general operating expenses, etc.).

Activity	Description of item required	Responsible	Estimated Budget (US\$)
Capacity assessment	International consultant 25 man days @ 600/day	consultants	15,000
	National Consultant 25 man days @ 200/day		5,000
Identification of all stakeholders working on SPS related activities, and arrangement of Stakeholders workshop	Inception meeting with National experts	MoA-NAHDIC,	2,000
	Stakeholder Consultative workshop (cost of conference room, stationery, tea and lunch break, travel	Consultants	5,000

	cost of participants), Technical		
	Review meetings (2)		2,000
International travel	A return ticket		4,000
Local travel	Fuel & lubricant costs		1,500
General operating expense	Printing, photocopying and mail delivery, call cards		3,000
Preparation of final report with identified gaps and recommendations		consultants	
	Grand total		37,500

Appendix 1: Letters of support from each of the organizations supporting this proposal.

1. Letter of Application, Veterinary Service Directorate, Livestock Sector, Ministry of Agriculture, Ethiopia
2. Letter of support from Trade Relation and Negotiation Directorate (TRND), Ministry of Trade, Ethiopia.
3. Letter of support from Ethiopian Standards Agency (ESA).
4. Letter of Support from USDA/APHIS, USA.
5. Letter of Support from Center for Computational Epidemiology, Bioinformatics and Risk Analysis (CCEBRA), Tuskegee University, USA.