



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project number: XX/ZAM/09/XXX
Project title: JOINT UNIDO-WTO TRADE CAPACITY BUILDING PROGRAMME FRAMEWORK FOR ZAMBIA
Relationship to integrated programme: N/A
Thematic area code: TCB
Starting date: January 2009
Duration: 3 years
Project site: ZAMBIA
ZAMBIA MINISTRY OF COMMERCE, TRADE AND INDUSTRY
Government Co-ordinating agency: (MCTI)
Counterpart:

- United Nations Industrial Development Organization (UNIDO)
- World Trade Organization (WTO)

Executing agency/ cooperating agency:

- United Nations Industrial Development Organization (UNIDO)
- World Trade Organization (WTO)

Project Inputs:

- **UNIDO inputs:** €2,398,500
- **Support costs (...%):** €311,805
- **Counterpart inputs:**
- **Grand Total:** €2,710,305

Brief description: Many developing countries have liberalized their markets in the hope that this would allow them to achieve export-led growth and poverty eradication. However, reducing tariffs and quotas have not led to a discernible increase in developing country exports. It is against this background that UNIDO and the WTO have joined forces to assist developing countries to overcome these problems in order to become integrated into the global economy. The two Organizations signed a Memorandum of Understanding in 2003 and established a partnership to provide assistance through a three-pronged approach: (i) Develop supply-side capacity and competitiveness; (ii) Assess and demonstrate conformity to market requirements; (iii) Develop connectivity to the global market and integration into the multilateral trading system. UNIDO focuses its assistance on the first two modules, while the WTO focuses assistance in the third module.

A Kick-off Seminar was held in Zambia from 18-19 September 2006 to develop a UNIDO-WTO project for Zambia. Based on the recommendations of this kick-off seminar, the project has been developed as a good example of "aid-for-trade" as it complements the DTIS study undertaken under the Integrated Framework in 2005 and the draft IF Framework 2009-2012, as well other studies done under the JITAP while including specific actions to overcome supply-side constraints as well as conformity and market access issues.

During the Kick-off Seminar, participants considered supply-side constraints facing the strategic export sectors of Zambia such as honey, wood and wood products, horticulture, leather and leather products, cotton and apparel. Through this project the Zambian Ministry of Commerce, Trade and Industry will be assisted in reviewing the legislative framework surrounding Metrology, Standards, Testing and Quality (MSTQ) issues with particular emphasis on revising the Standards Act and upgrading facilities and building capacity within the Zambia Bureau of Standards (ZABS), the Zambia Weights and Measures Agency (ZWEMA) and the Food and Drug Agency's Food and Drug Control Laboratory (FDA) under the Zambian Ministry of Health. The project will also address an emerging barrier to export honey to South Africa by enhancing the sector's ability to prove conformity as well as assist the food exporters by improving the aflatoxin management and testing capacity. In addition, the project will strengthen the TBT and SPS compliance infrastructure with focus on ZABS and the laboratories of the Plant Quarantine and Protection Service (PQPS) of the Zambian Ministry of Agriculture and Cooperatives. Training in trade negotiations will be provided by the WTO. In designing the project, special care and attention has been taken to complement, rather than to duplicate, assistance already being provided to Zambia under other initiatives of the EU CBPSD Project and USAID (Zambia Threshold Project).

Approved:

Signature:

Date:

Name and title:

On behalf of
..... :

On behalf of
UNIDO:

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A. CONTEXT

A. 1 BACKGROUND

This UNIDO-WTO project has been developed as a practical example of “*aid-for-trade*” as it complements background IF work and includes actions to overcome specific supply-side constraints while at the same time strengthening the Zambian metrology, standards and conformity assessment infrastructure.

This joint activity can be traced back to a Memorandum of Understanding (MoU) signed between the two organizations (UNIDO and WTO) in September of 2003 during the Cancún WTO Ministerial Meeting. The then Director-Generals of UNIDO and WTO Mr. Carlos Magariños and Dr. Supachai Panitchpakdi signed the Memorandum of Understanding (MoU) and later in 2004 UNIDO approved a technical assistance project to support the implementation of the MoU. The strategic partnership¹ inherent in the MoU sought to facilitate the delivery of targeted technical assistance which bridges the gap between industrial development and international trade, thereby enhancing growth and furthering integration into the global economy. It also seeks to help to identify and eliminate obstacles and thereby to allow target countries to participate in global supply chains.

The UNIDO-WTO agreed framework concept is defined in terms of three main programme modules related to the two Organizations' mandates and expertise (see table 1).

Table 1. The UNIDO-WTO Framework Concept – The main programme modules

MODULE I		MODULE II		MODULE III
Remove supply side constraints		Prove Conformity with Technical Requirements		Integrate into Multilateral Trading System
Introduce supporting legislation, policies and institutional reform	Strengthen supply capacity	Set up accreditation/certification systems	Support compliance with international standards and regulations	Strengthen capacity for implementation of the WTO agreements and trade negotiations
UNIDO				WTO

UNIDO's contribution in the framework of the MoU mainly focuses on issues related to a country's supply side capacity and proving conformity to standards. WTO focuses on deepening the understanding of beneficiaries of the rules-based multilateral trading system. It is expected that these two complementary sets of activities would foster integration of beneficiary countries into world trade. In order to put the MoU into effect, the two Organizations agreed to start to provide assistance on a pilot basis to an initial group countries. The pilot phase covered Armenia, Bolivia, Cambodia, Cuba, Egypt, Ghana, Jordan, Kenya and Mauritania and more recently two additional countries, Azerbaijan and Zambia were included in the programme.

The above eleven countries were selected on the basis of an initial list of potential countries prepared by WTO. The guiding principle for the selection of countries was to achieve geographical balance and the fact that the WTO/UNIDO cooperation should be complementary to the existing multi-agency schemes such as the IF and JITAP². Zambia was chosen since the diagnostic study had been already

¹ The MoU established a strategic partnership between the two Organizations for the purpose of implementing the Doha Development Agenda (DDA), thereby ensuring that trade and industrial development enhance economic growth and that developing countries, least developed countries and transition economies integrate into the global economy and the multilateral trading system.

² Joint Integrated Technical Assistance Programme to selected least developed and other African Countries (JITAP), WTO, UNCTAD and ITC.

been completed by the IF³ and the WTO/UNIDO programme could provide a value added to this process by assisting to implement the DTIS action matrix.

The **Integrated Framework Programme** for Zambia 2009 – 2011 builds on the Diagnostic Trade Integration Study (DTIS) Action Matrix as the framework for all trade-related aspects of the PSD Reform Programme. Particularly, activities undertaken and planned under the EU-supported Capacity Building for Private Sector Development, the US-financed Millennium Challenge and Threshold Project, the Joint Integrated Technical Assistance Programme and the Export-led Poverty Reduction Programme have been taken into account in the Framework development process.

The national implementation arrangements of the IF include inter alia the Trade Expansion Working Group (TEWG) which is responsible for monitoring the overall implementation of Trade Expansion activities and IF processes. It includes mainstreaming of trade related activities as contained the Fifth National Development Plan and other development planning tools.

The Framework Programme has seven components namely: Trade Policy; Trade Facilitation; Standards, Quality Assurance and Metrology; Trade Capacity and Policy Coordination; Market Access and Market Penetration; Aid for Trade; and Support for IF Programming and Implementation.

Components of the Framework Programme which is of particular interest for the UNIDO/WTO programme are given below.

Component Two: Trade Facilitation

The DTIS identified trade facilitation as one of the areas that required action if Zambia was to effectively harness her potential and utilise trade opportunities.

Support under this component will also be extended to ensuring that Trade Facilitation measures in the context of the World Trade Organisation negotiations and proposals are implemented. In this regard, areas of focus will include implementing the work plan of the Trade Facilitation Working Group.

Component three: Standards, Quality Assurance and Metrology

Trade competitiveness is increasingly being affected by the extent to which countries produce goods and services that meet the ever changing international requirements and customer expectations. Countries that produce goods and services that meet these requirements and customer expectations are likely to succeed not only in their domestic markets but also in international markets.

The DTIS observed the lack of clarity on the roles of institutions involved in the setting and implementing of standards and technical regulations. It also identified the lack of suitably accredited laboratories and the low range and underdeveloped conformity assessment and quality assurance infrastructure in general, as one of the major problems that face Zambia in her quest to expand and diversify the export base.

According to the IF there is therefore a need for Zambia to revise legislation and put in place policies, institutions, and other infrastructure that support and facilitate the production on goods and services that meet international requirements.

Work under this component will thus focus on re-orienting and improving the standards, quality assurance and metrology legislation, policies, institutions, and other infrastructure to ensure the production of internationally competitive goods and services.

Component Six: Aid for Trade

Supply side constraints have been found to be a major hindrance to Zambia's utilisation of the market access opportunities available under various trading arrangements. This fact has also been highlighted in the DTIS.

³ The Integrated Framework for Trade-Related Technical Assistance to least-developed countries (IF) is a multi-agency, multi-donor program that assists the least developed countries to expand their participation in the global economy whereby enhancing their economic growth and poverty reduction strategies. The IF program was first mandated by WTO Singapore Ministerial Conference in December 1996. The participating agencies are IMF, ITC, UNCTAD, UNDP, World Bank and the WTO.

Despite benefiting from several technical assistance and trade capacity building initiatives, Zambia still remains with innumerable supply side constraints which include underdeveloped trade support infrastructure.

The Framework Programme is in draft form and the government does not have specific sponsors for all activities. However, there are some ongoing activities that are being financed by some cooperating partners. It is the intention to use the framework to get funding from the cooperating partners including the Integrated Framework and the Enhanced Integrated Framework. In this context, the present project proposal is aimed towards particularly addressing the concerns under the Component three: SMTQ.

A.1.1 Zambia's current economic situation

Zambia, a landlocked least-developed country centrally located in Southern Africa, shares borders with the Democratic Republic of Congo and the United Republic of Tanzania in the north, Malawi and Mozambique in the east, Botswana, Namibia and Zimbabwe in the south and Angola in the west.

Zambia has a population of about 11 million and a nominal Gross Domestic Product (GDP) of about US\$7.3 billion in 2005 (see table 2). While real economic growth rates have averaged around 4 percent per annum since 2000, the performance of most economic fundamentals has remained poor. Inflation, which is food driven, has persistently remained high but reduced to single digits for the first time in more than a decade to 8.2 percent at the end of December 2006. A history of high inflation rates and stable nominal wages has contributed to a continued rise in poverty levels and in 2002 poverty headcount ratio at \$1 per day was estimated at 75.84 per cent of the population. National debt, which amounted to US\$7.1 billion in 2004, was reduced to US\$635 million as at end of December 2006 as a result of the High Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI).

Mining and quarrying account for more than half of Zambia's merchandise exports and have traditionally contributed the largest proportion of the country's total GDP. The country also has extensive arable land, forests, woodlands and water resources. The agricultural sector has great potential for further development since only about 15 percent of the available arable land is currently under cultivation. Industry value added is approximately 26.9 per cent of GDP, although manufacturing value added (MVA) is much lower at 12 per cent. Zambia's main industrial products are derived from copper mining and processing, construction, foodstuffs, beverages, chemicals, textiles, fertilizers, and horticulture.

Table 2: Selected Macroeconomic Indicators 2000-2005 (US\$ Million)

Variable/Year	2000	2001	2002	2003	2004	2005
Nominal GDP at Market prices	3,239	3,640	3,776	4,318	5,448	7,269
Real GDP growth rate, %	3.9	4.9	3.3	5.1	5.4	5.0
Exports	853	980	945	981	1 457	1 837
Imports	864	1 080	1 098	1 571	2 010	2 575

Sources: Bank of Zambia, WTO

Since 1991, Zambia has been implementing an economic reform programme. Trade liberalization has been an integral part of Zambia's reform effort, thus indicating its confidence in the efficacy of open, competitive market economy and adherence to the principles of multilateral trade. To this effect, trade barriers have been substantially reduced and quantitative restrictions eliminated. Import controls are only maintained for health, security and associated reasons. Customs duties are now the main trade policy instrument, and even these have been substantially reduced over the years, with the highest tariff being 25 percent on finished products.

The Zambian Government is encouraging private investment in all the major productive sectors of the economy including agriculture, mining, manufacturing, tourism and energy. It has introduced new economic policy measures, liberalized open market trade and investment conditions and simplified government procedures to encourage greater private sector involvement. One of the measures government has introduced is the creation of the Zambia Development Agency (ZDA) in 2006 through an Act of Parliament (ZDA Act No. 11 of 2006). The Government also launched a Private Sector Development (PSD) Reform Program, prepared jointly by the Ministry of Commerce, Trade and Industry and the Private Sector with support from the donor community in 2004. The program aims to

strengthen the momentum already created for production and export diversification led by the private sector by implementing an Action Plan for enhancing Zambia's business environment and restoring investor confidence. The Livingstone PSD Forum in June 2004 endorsed the program and agreed on an implementation structure through establishing the Zambia Business Council (Chaired by the President), PSD Steering Committee and the PSD Programme Coordinating Unit.

A.1.2 Export performance

Exports, which have risen significantly in recent years, largely as a result of high copper prices, continue to lag behind imports. Share in world total merchandise exports still amounts to only 0.02 and therefore interventions to improve export performance and remove constraints are essential if economic stability is to be maintained. Main manufactured exports are basic metals, furniture, food products, chemicals and textiles. Zambia's major trading partners (as of 2004) are South Africa, UK, Switzerland, Tanzania, Democratic Republic of the Congo, Zimbabwe, and the United Arab Emirates. The expansion of Non-Traditional Exports (NTEs) has been a key bright spot in Zambia's trade performance in the last decade. NTEs grew at over 16 % year on year in both 2004 and 2005, despite growth in the sector being hindered by a number of factors, some of which are common to all sectors – in particular the lack of development financing, the high cost of borrowing, cost of fuel and freight, high duty on imported inputs, insufficient export incentives and infrastructure problems such as the absence of access roads, power supply, telecommunications, etc.

According to the DTIS conducted in 2005 and the national development strategies, given the volatility in world metals and minerals markets, Zambia's competitive strength for sustainable export growth lies in diversification through activities such as:

- Agriculture (Horticulture and floriculture, tobacco, cotton, coffee)
- Agro-processing (Honey, processed foods, coffee, paprika, wood and wood products, leather and leather products
- Textiles and garments;
- Tourism; and
- Light manufacturing

A selection of sectoral export data for 2003-2005 is given below:

Table 3: Export performance in selected sectors, 2003-2005

Sector	No. of exporters in 2005	2003 US\$ Million	2004 US\$ Million	Change %	2005 US\$ Million	Change %
Primary agricultural products	48	97.9	163.7	67.2	197.0	20.3
Processed and refined foods	36	43.9	49.8	13.5	66.9	34.4
Floricultural products	21	22.4	26.8	19.5	32.1	19.9
Leather and leather products	15	3.4	3.5	5.3	4.0	12.1

source: Export Board of Zambia, Exporter Audit Report, 2005

However, exporters are faced with constraints over and above those mentioned above, such as:

- Poor production capacities, low quality management and control, weak markets linkages and access and generally lack of value addition in the identified priority sectors of Honey, Coffee, Paprika, Wood and Wood Products, Cotton/Apparel, Leather and Leather Products and Horticulture.
- The lack of harmonization between the standard setting bodies and for information to be disseminated on technical standards;
- The lack of a national quality policy;
- Bottlenecks in the quality chain and in particular in testing and conformity certification services as a result of geographic realities and concentration of available facilities in urban areas (particularly Lusaka);

- Lack of accredited test laboratories and necessary equipment;
- Lack of accredited certification bodies (for system and product certification); and
- Difficulties in addressing sectoral technical barriers to trade.

In the area of market information and connection to international trading system:

- Very limited access to information on export country standards and technical regulations;
- No early warning of changes in export country regulations that can affect Zambian exports;
- Inadequately trained trade negotiators in both public and private sector;
- Lack of trade information services such as market intelligence;
- Lack of general awareness of the significance of the WTO agreements and, in particular, of the implications of the WTO/TBT and SPS Agreements for standardization, technical regulation, conformity assessment and lack of coordinated Government/private sector policy to benefit from those agreements;
- Inadequate implementation of the Enquiry Points under the TBT and SPS Agreements leading to inadequacy and delays in providing information to the business community;
- Complicated and lengthy import/export licensing procedures and irregular payments that exporters have to make to obtain authorization to export;
- Difficulty in bank financing of export operations; and
- Transport infrastructure deficiencies (difficulties of trucking and trans-shipping).

In the area of standards and conformity assessment, of especial relevance are the lack of accredited testing and certification activities, confusion in the marketplace over the role of the Zambian Bureau of Standards, inadequate facilities at ZABS, the PQPS, FDA and ZWEMA and insufficient government funding for the core competencies in these organizations that perform functions for the “good of the nation”. The existing capacities in these institutions are considered in more detail below:

- **The Zambian Bureau of Standards (ZABS)** is the national standards body established by Act of Parliament, but suffers from insufficient core funding for its standards development and information activities, with the consequence that its standards services are provided and utilized to a less than optimum level. This has a negative effect on Zambian Industry’s ability and willingness to use the services of ZABS. The Standards Act is in need of updating to reflect modern best practice and to enshrine the core activities as government sponsored functions, whilst allowing for certification and testing to be carried out by ZABS on a commercial basis, in competition, eventually, with other commercial service providers. A lack of the necessary expertise and facilities to carry out testing, inspection and certification activities has hampered ZABS’ ability to expand and provide the services that exporters require. EU funding and logistical support is currently being provided under CBPSD to ZABS, as is a certain amount of assistance under the USAID’s Zambia Threshold Project (ZTP) but more assistance is required. The CBPSD project, which focused extensively on upgrading ZABS’ metrological capability in its earlier phase ending in 2008, is currently providing assistance to rehabilitate the ZABS premises as well as establishment of microbiology and chemistry labs through the third phase of the project that will last from October 2008 to April 2010 with a budget of €6.9m. Reequipping of some labs are being done by the same project, but will be insufficient to upgrade all of ZABS’ services to the necessary levels, or to provide all the necessary testing equipment, training and support in the areas of standards development, standards information provision, auditor training and registration, etc. The USAID ZTP is aimed at solving trade facilitation issues such as increasing the efficiency of inspections upgrading IT and website capabilities to re-engineer border clearances, although a limited amount of ISO 9001 training is also being provided. Targeted interventions are necessary in all these areas, together with the establishment of a “Quality Culture” in Zambia that should stem from the proposed updating of the Standards Act and the development of a Quality Policy and Strategy for Zambia.
- **ZWEMA, the Zambian Weights and Measures Agency**, is the Legal Metrology unit established under the Weights and Measures Act, and is responsible for legal and trade metrology matters. It is affiliated to SADC MEL, the Legal Metrology regional structure within SADC. Its duties include verification of conformity of packaged goods to weights and measures legislation, certification of weighing and measuring apparatus used in trade, enforcing legal measurement units in the country and control of trade measurement standards, together with the levying of fines or the prosecution of offences against the provisions of the Act. As is the case with ZABS, its functions are carried out for the public good, and are rightly financed by government, although current levels of funding are

inadequate to enable it to perform its functions to the degree necessary and in all different regions of the country. The effect of this is that in certain far-flung areas of the country, away from the major urban areas, regional offices have not yet been established and legal metrology legislation is effectively not being enforced, to the detriment of the consumer. ZWEMA is in need of the physical provision of basic measuring equipment and logistical support to enable it to carry out its duties, together with training for its staff in order for them to become accredited.

- **PQPS – the Plant Quarantine and Phytosanitary Service of the Ministry of Agriculture and Cooperatives**, is the body responsible for pest risk analysis, laboratory testing, issuing phytosanitary certificates, conducting various inspection activities and for implementing the requirements of the International Plant Protection Convention (IPPC). It has received a certain amount of training as well as financial and logistical support for its operations from the USAID ZTP, but is still unable to achieve accredited status in key areas, notably a test for American Foulbrood in the honey sector, with the consequence that it is unable to issue certificates that are accepted in export markets, especially for product that is shipped to, or through, South Africa. Its microbiology laboratory is in need of significant upgrading, specific equipment and training is required in a number of analytical techniques, and it requires its inspectors to undergo sufficient training in order to become accredited.
- **FDA – the Food and Drug Control Laboratory** of the Ministry of Health conducts a variety of tests on microbiology, water chemistry, chemicals and toxicology; among these are microbiological examinations and analysis of chemical contaminants and pesticide with 14 technical staff. Similar to ZABS, ZWEMA and PQPS above the current levels of funding from the Ministry of Health are inadequate to enable it to perform its functions to the degree necessary. The Laboratory has received assistance in the form of piecemeal projects, through which the bulk of existing equipment was procured (an initial inventory provided by the lab is attached in Annex E). FDA has recently put in place a Quality Policy and the Quality Manual has been under preparation. The lab is currently unable to analyze for certain pesticide residues, antibiotics, and food colors or Mycotoxins. The laboratories have no accreditation at the present time. The Water Chemistry Lab has participated in several Proficiency Testing schemes to date on its own initiative. Its microbiology and chemistry laboratories are in need of significant upgrading, specific equipment and training is required in a number of analytical techniques, and training of Laboratory staff for accreditation using ISO 17025 is needed.

In addition to the above mentioned, the University of Zambia, Food Science and Technology Laboratory, National Institute for Science and Industrial Research, Central Veterinary Research Institute, the Environmental Protection Agency and some private laboratories all have some role in the national quality and conformity assessment infrastructure, with various levels of competency, but have been excluded from this project because of the scope.

B. REASONS FOR UNIDO ASSISTANCE

UNIDO is the specialized UN agency supporting the industrial development of developing countries and economies in transition. In the course of providing this support, UNIDO acquired some 40 years of global experience on issues related to industrial upgrading as well as in developing infrastructure for standardization, metrology, testing and quality (MSTQ). UNIDO has a number of strategic partnerships including with the WTO, UNCTAD, FAO, and ITC. UNIDO also cooperates with specialist organizations in the field of metrology, standards, testing, accreditation and conformity, such as the International Organization for Standardization (ISO), the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC), the Bureau International de Poids et Mesures (BIPM) and the Organisation Internationale de Métrologie Légale (OIML).

UNIDO's TCB programmes are increasingly being recognized as a good model for the implementation of the Aid for Trade initiative. During 2007 UNIDO participated at the Aid for Trade Advisory Group as well as the regional reviews – "Mobilizing Aid for Trade" – in Latin America and the Caribbean, Asia and Africa. UNIDO has also been building stronger ties with the Enhanced Integrated Framework (EIF) and is being recognized as a potential implementing partner. UNIDO has a Framework Agreement with the Standards and Trade Development Facility (STDF), a partnership by the Food and Agriculture Organization of the United Nations (FAO), the World Organization for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the World Trade Organization (WTO).

As explained above, Zambia was chosen as a pilot country for WTO-UNIDO joint assistance since the diagnostic study had been already been completed by the IF and the WTO/UNIDO programme could provide a value added to this process by assisting to implement the DTIS action matrix, especially in identified shortfalls in the DTIS analysis - particularly in structural inadequacies of the MSTQ infrastructure and on products/sectors with high export potential and/or facing barriers to trade, mainly linked to TBT or SPS.

The lack of a quality infrastructure and culture in Zambia, that represents modern best practice, continues to hamper trade in general and export trade in particular. UNIDOs 40 years of experience building capacity in this field, especially in sub-Saharan Africa, is recognized by the counterparts as an important justification for having UNIDO as a partner. In designing the project, special care and attention has been taken to complement, rather than to duplicate, assistance already being provided to Zambia under other initiatives of the EU (The Capacity Building for Private Sector Development, or CBPSD, project funded under EDF-9) and USAID (Zambia Threshold Project). Meaningful implementation of the current project will require appropriate liaison with those responsible for implementing these other initiatives.

Similarly, the interventions that are required to improve quality and saleability of Zambian agro-products fall squarely within UNIDOs expertise. In building supply-capacity in the honey sector, interventions are designed to complement the ongoing efforts of the IFAD funded SHEMA project with the Honey Council of Zambia, to create a field standard that is compatible with the Codex and European Regulations and a complementary quality assurance system with proper conformity assessment procedures. In the case of processed foods, coffee and paprika, the project will aim to improve the capacity of testing laboratories to test for aflatoxins and pesticide residues as well as assisting exporters to adopt GMP, HACCP and ISO 22000.

C. THE PROJECT

C.1. Objective of the project

The principal objective of the project is to enhance the export performance of the Republic of Zambia by creating conditions for strengthening the national legislative framework supporting standards, technical regulations, metrology, testing and quality, addressing deficiencies in standards, testing, metrology (especially legal metrology), establishing a credible conformity assessment infrastructure (with accreditation in relevant areas) and fostering integration into the multilateral trading system.

Specifically, the project will assist the Zambian Ministry of Commerce, Trade and Industry in reviewing and overhauling the legislative framework surrounding Metrology, Standards, Testing and Quality (MSTQ) issues, with particular emphasis on revising the Standards Act and upgrading facilities and building capacity within the national conformity assessment institutions. The project will also address an emerging barrier to export honey to or through South Africa, as well as the supply capacity and quality problems faced in paprika and coffee by enhancing the sectors ability to prove conformity. Training and awareness raising in trade negotiations and policy will be provided by the WTO.

The ultimate beneficiaries of this project are the manufacturers and exporters in the strategic export sectors, who would be able to expand their production and have access to and be able to comply with export country regulations, standards and buyers' requirements by virtue of enhanced and accredited testing and certification facilities in Zambia. They would be able to provide to their clients globally accepted certificates of conformity to product and management system standards, thereby streamlining export procedures. The Zambian consumer would also benefit indirectly from an enhancement of standards awareness and the development of a "quality culture" in the country, especially as Zambia is negotiating free trade agreements within SADC and COMESA and will need to significantly bolster its market surveillance capacities.

The direct beneficiaries would be the institutions and facilities that would receive assistance to upgrade their capabilities and organizational procedures to the level of internationally accepted practice, together with members of their staff who would receive direct training. In particular, ZABS, ZWEMA, PQPS and FDA and their key staff would benefit directly.

In the processed foods sector, beneficiaries would include all members of the supply chain, from the small grower, who would be in a position to contribute to bulk product that is certified as conforming to standards, to the large bulk packer and exporter who would have greater assurance of the quality of the end product.

Through the assistance provided, the project has an indirect effect on rural development, poverty alleviation, job creation and on trade. Specifically, the project addresses the first target under the eighth Millennium Development Goal: developing a global partnership for development: calling for 'an open, rule-based, predictable, non-discriminatory trading and financial system'.

C.2. The UNIDO approach

A kick-off seminar was held in Zambia on 19-20 September 2006 to develop the UNIDO-WTO project for Zambia through wide stakeholder participation. The kick-off seminar brought together high-level government officials from different departments including those responsible for trade, industry, commerce, agriculture, quality, standardization, testing, and certification. Representatives of the private sector including the chambers of commerce, producers associations, individual enterprises, civil society, academia and donors also attended.

During the kick-off seminar some important areas to be addressed through UNIDO-WTO technical assistance were discussed. In particular, the participants recommended the following aspects to be reflected in the final project:

1. Reviewing the quality and conformity assessment infrastructure and relevant legislation for appropriateness and alignment with the requirements of WTO TBT/SPS and best practice;
2. Development of a national quality policy;
3. Strengthening TBT/SPS institutions involved in standardization, certification and testing and inspection (principally ZABS and PQPS, but also FDA in testing).
4. Strengthening WTO TBT/SPS Enquiry points (ZABS, PQPS)
5. Investigating and applying targeted interventions, where appropriate, in areas/sectors currently experiencing supply-side constraints (such as honey, wood and wood products, cotton/apparel, leather, processed foods, horticulture/floriculture).
6. Associated awareness and training activities.

Furthermore, the kick-off seminar recommended that the UNIDO-WTO project be based on the recommendations of the DTIS study and the draft 2009-2012 framework undertaken under the Integrated Framework as well as JITAP-sponsored value chain analyses yet putting emphasis on the identified shortfalls and structural inadequacies in MSTQ infrastructure and on products/sectors with high export potential and/or facing barriers to trade, mainly linked to TBT or SPS.

During a mission to Zambia in September 2007, UNIDO duly undertook a survey of activities completed, under way or planned by the Zambian Government and by other donor agencies in related areas, principally:

- The Zambian Private Sector Development Programme;
- Assistance provided by the EU under the CBPSD Project; and
- Assistance provided by USAID under the Zambia Threshold Project.
- Assistance provided through IFAD sponsored SHEMP project- Agribusiness Development Component to the Honey sector

In addition, the output from the World Bank –sponsored “Assessment of the Capacity of Food Safety and Quality in Zambia – The Zambian Food Control Systems” (2006) was evaluated and considered in detail.

During the September 2007 mission, UNIDO also requested information from ZABS, ZWEMA and FDA on their current capacities (both in equipment and technical expertise) and a prioritization of their needs, as they perceive them. These inventories have served as a basis for drawing up the specific interventions targeted at them and budget estimates for each component, although it is recognized there is a need to do a more in-depth needs assessment at the beginning of activities, especially due to the changing conditions as a result of various donors ongoing or pipeline activities.

In October 2007, UNIDO was requested to consider implementing a Standards and Trade Development Facility Project Proposal on mycotoxin contamination in Malawi and Zambia, which was based on an analysis of SPS related challenges rising from the DTIS studies undertaken in both countries. During discussions held with the STDF, UNIDO proposed to include the component on mycotoxin testing and management in the UNIDO-WTO project for Zambia, as the planned project already foresaw comprehensive assistance to the relevant institutions mandated with ensuring compliance in the SPS area- namely FDA and PQPS, as well as exporters in strategic food sectors.

In September 2008, a Norwegian expert was fielded by NORAD to appraise the project on:

- quality of the underlying analysis and planning process of the programme, including participation of relevant stakeholders in the process
- relevance of the programme with regards to the problems that the project should solve and the interest of the involved stakeholders
- the use of lessons learned from earlier experience with similar projects / programmes
- other planned or on-going programmes that may influence the implementation or the effects of the planned programme
- Assessment of the programme design in relation to goal, purpose, outputs, indicators, sustainability, means of verification, availability of reliable baseline data, monitoring system, risks and mitigating actions

The recommendations of the appraisal report were discussed and incorporated into this project document.

The areas covered by the WTO are related to the capacity for national implementation of the WTO agreements, trade negotiations and related policy formulation, and awareness and knowledge building on the rules and regulations of the WTO system. For its part, the WTO refers to its Technical Assistance and Training Plan for 2008 (WT/COMTD/W/151), which refers to its partnership with UNIDO in relation to Technical Assistance Delivery to Zambia.

UNIDO, based on its well-known experience in SMTQ in developing countries, will ensure that all technical actions are appropriate to Zambia and are based on internationally accepted standards and practices. UNIDO's intervention, as the technical manager, will be the following:

- Provide technical advice on quality, standards, metrology and conformity assessment;
- Make a comprehensive technical assessment of capacity gaps, and define the ideal intervention mechanism and the project strategy;
- Prepare detailed job descriptions for international and national experts and identify most suitable expertise;
- Prepare terms of reference for sub-contracting input;
- Call sub-contract bids and evaluate offers;
- Guide and monitor the work of sub-contractors;
- Identify and recruit experts;
- Guide and monitor the work of the experts;
- Prepare specifications for equipment purchases and manage the procurement;
- Identify the training needs: Class-room (in the country and abroad) and on-the-job, study tours and fellowships abroad;
- Identify suitable training places and facilitate training;
- Create Awareness and implement promotional campaigns for the promotion of quality and conformity assessment for government bodies and institutions, producers and consumers;
- Ensure local adoption of assistance rendered;
- Define key performance indicators and monitor the progress of the implementation;
- Ensure long-term sustainability of the assistance rendered.

C.3. RBM code and thematic area code: TCB, BD.17

C.4. Expected Outcomes

At the end of the project, the Government of the Republic of Zambia would have achieved improvements in the supply-side capacity of sectors targeted and would have an adequate conformity assessment infrastructure to credibly prove conformity of these products. Certain of the above obstacles are outside the scope of a project of this nature (for example, transport infrastructure, exchange rate stability), however the following points detail the benefits that would accrue to the country thanks to the implementation of the project:

- Roles of the major players in standardization, quality, metrology and conformity assessment will be clarified, and a “quality culture” will be created, that will enable standards information and accredited testing/certification activities to be undertaken to the benefit of the export trade and trade in general.
- Key agencies in the MSTQ infrastructure will be properly equipped to carry out their tasks.
- Capacity to overcome technical barriers to trade in strategic agro-industries such as honey, coffee and paprika will be increased.
- Public and private sectors will be positioned to better engage in international trade negotiations in a coordinated and effective manner.

C.5. Outputs and activities

C.5.1 Development objective

To enhance the export performance of the Republic of Zambia by creating conditions for strengthening the national legislative framework supporting standards, technical regulations, metrology, testing and quality, addressing deficiencies in standards, testing, metrology and certification capabilities, establishing a credible conformity assessment infrastructure and fostering integration into the multilateral trading system. Internal trade benefits to accrue concomitantly.

C. 5.1.1 Outcome 1

Government of the Republic of Zambia (MCTI) amends as necessary the legislative framework surrounding MSTQ and has a strategy and tools to encourage the quality culture in Zambia

Output 1.1

Develop strategy/methodology for reviewing the needs of main conformity assessment institutions (ZABS, ZWEMA and FDA etc.) and the division of labour between them. Prepare an inception report including yearly work-plan including performance indicators and main milestones for project implementation to be reviewed at mid-term.

Activities	Responsibility
1.1.1 Survey to gain knowledge of existing capacities of the institutions involved and the planned activities through EU project and Zambia Integrated Framework	UNIDO
1.1.2 Organize a high-level workshop between MCTI, Ministry of Health, Trade Expansion Working Group (TEWG), IF focal point, Ministry of Finance, EU and UNIDO to discuss the strategy for each of these SMTQ institutions and the government commitment for upgrading them and resolving the potential conflicts in mandate to adequately serve the consumers and producers	UNIDO, MCTI, TEWG
1.1.3 Draft the inception report and the yearly workplan, including a monitoring system in terms of performance and budget allocation	UNIDO
1.1.4. Consult with partners on the project strategy for upgrading the SMTQ legal and institutional framework	UNIDO

Output 1.2

Review the existing Standards Act and make recommendations for positioning ZABS as the peak standards body in Zambia, to encompass two spheres of activity – “Good of the nation” activities

(standards information provision and standards development and promotion) and “Commercial” Conformity Assessment activities. (possible joint activity with EU CBPSD project)

Activities for Output 1.2:

Activities	Responsibility
1.2.1 Survey to gain knowledge of all existing standards developers in Zambia	UNIDO/ MCTI/ standard drafting institutions
1.2.2 Identify source, regulator and technical basis for all Technical Regulations in Zambia.	UNIDO/ MCTI
1.2.3 Organize a high-level workshop for public and private sector stakeholders to explain the benefits of, and issues surrounding the proposed review of the MSTQ legislative framework, and to introduce best practice concepts as an aid to trade in general and export performance in particular.	UNIDO/ MCTI
1.2.4 Consult with MCTI to assist in redrafting the Standards Act to position ZABS as the peak standards body in Zambia, to empower ZABS to also conduct commercial conformity assessment activities, and to distinguish between voluntary national standards and mandatory Technical Regulations – the latter to be made preferably by reference to performance-based standards.	UNIDO/ MCTI/ZABS

Output 1.3

Review and update, as necessary, operating procedures at ZABS and provide training required to enable ZABS to operate in accordance with the Code of Good Practice for the Development and Application of Standards (annex 3 to the WTO/TBT Agreement) and to carry out accredited conformity assessment activities in accordance with ISO/CASCO standards.

Activities for Output 1.3

Activities	Responsibility
1.3.1 Review and update as necessary ZABS procedures for standards development, standards adoption, provision and sale of standards and information on them, product certification and related operating procedures; make recommendations with regard to future needs for obtaining international, regional and foreign standards and selling standards nationally, and in particular evaluate logistics / desirability of selling standards via a webstore.	UNIDO/ ZABS
1.3.2 Provide training to ZABS staff and key members of Technical Committees on the basics of standardization: Writing standards, conducting effective committee meetings, WTO/TBT, international participation, editing	UNIDO/ ZABS

Output 1.4

A national quality policy and strategy for Zambia are established, followed by an awareness campaign in all regions to highlight the importance of quality and standards for consumers safety and export expansion

Activities for Output 1.4

Activities	Responsibility
1.3.1 Provide expert input to MCTI to prepare national, standards-based quality policy and strategy (in consultation with other stakeholders)	UNIDO/MCTI
1.3.2 Develop suitable awareness material to promote ZABS and benefits of standards to District Business Associations	UNIDO/ZABS/ZCSMBA
1.3.3 Prepare training material and conduct quality and standards awareness courses at secondary and higher education institutions (as part of Civics courses)	UNIDO/ZABS/ZCSMBA/FDA

C. 5.1.2 Outcome 2

National institutions for conformity assessment are able to provide international recognized services to strategic export sectors and for the protection of consumers

Output 2.1

ZABS in a position to provide calibration services (traceable to international standards) to the industry/exporters and meeting the needs of the country.

Activities for Output 2.1

2.1.1 Review the needs assessment compiled by the EU CBPSD project with regard to the ZABS Metrology Laboratories, identify upgrading needs to obtain metrology facilities through the development of a market analysis for demand for services and achieve accreditation in areas not already covered by the CBPSD project if needed	UNIDO/ ZABS Metrology Lab
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Output 2.2

Inspection and Verification Services of Zambia Weights and Measures Agency (ZWEMA) improved

Activities for Output 2.3

Activities	Responsibility
2.2.1 Develop a business plan for ZWEMA	UNIDO/ZWEMA
2.2.2 Procure equipment required	UNIDO/ZWEMA
2.2.3 Sponsor on-site training for metrologists	UNIDO/ZWEMA
2.2.4 Study fellowships for metrologists	UNIDO/ZWEMA
2.2.5 Establish contacts with OIML and a partner body for Legal Metrology and Calibration Service.	UNIDO/ZWEMA

Output 2.3

Testing Capabilities in microbiology and chemistry upgraded to provide reliable services to public and private customers, especially for mycotoxins in targeted products such as coffee and paprika.

Activities for Output 2.3

Activities	Responsibility
2.3.1 Based on the manufacturing and export needs of the competitive sub-sectors in the country, conduct baseline study of testing demand and output, compare the existing capacities of the FDA and the newly acquired microbiology and chemistry labs in ZABS (under CBPSD project) and develop a business plan for strengthening of these services and their accreditation in the most suitable institution	UNIDO/FDA/ZABS/EU
2.3.2 In consultation with the Government, prioritise the laboratory development needs and agree on a timeline for premises refurbishing and upgrading still to be completed, staff and funding for recurrent expenditure. If Government commitment is not secured for necessary refurbishments, adapt the workplans accordingly or seek funding possibilities.	UNIDO/
2.3.3 Once agreement has been reached, procure equipment identified through the needs assessment, train staff and assist in obtaining international accreditation.	UNIDO/

C. 5.1.3 Outcome 3

The Zambian Quality Chain with regard to testing and export certification of products in selected sectors – honey, coffee and paprika – strengthened.

Output 3.1

Development and publication of Zambian standards based on Honey Council field standards, and establishment of code of practice for honey producers and aligning with international (Codex)

standard in area of Honey and Honey products – in cooperation with ‘Honey Partnership for Zambia’ initiative

Activities for Output 3.1

Activities	Responsibility
3.1.1 Review existing field standards established through IFAD sponsored SHEMA project for suitability as precursors to international Codex standard for honey and set as national standards.	UNIDO/Honey Council/
3.1.2 Review Honey Council training programme and quality manual based on field standards currently used in Pilot programme in Kaoma district and set as national code of practice; support awareness raising at bulking centers aimed at maximizing output of good quality honey products	UNIDO/Honey Council
3.1.3 Assist Honey Council to establish internationally recognized appropriate conformity assessment regime to apply QA mark only to honey that meets the Codex (Zambian national) standard.	UNIDO/Honey Council

Output 3.2

A demonstrative mycotoxin management programme for coffee and paprika quality chains is put in place to for a selected region

Activities for Output 3.2

Activities	Responsibility
3.2.1 A quantitative analysis of the current extent of aflatoxin contamination in paprika and of ochratoxin A in green coffee	UNIDO
3.2.2 Monitoring system and sampling plan developed	UNIDO
3.2.3 Field manual on aflatoxin management developed through the UNIDO Cote d'Ivoire project adapted and translated for use in Zambia	UNIDO
3.2.4 Training of at least 20 extension officers capable of implementing pre- and post-harvest aflatoxin prevention and control measures with small holder farmers and capable of onward transmission of the information to other extension officials.	UNIDO

C. 5.1.4 Outcome 4

Trade policy and negotiations capabilities of the Government of Zambia is strengthened .

Output 4.1

Training Zambian trade officials in trade policy and negotiations and holding of seminars across the country to raise awareness of the private sector and to involve them in trade policy and negotiations- This output will be conducted by the WTO. The WTO will provide its own resources for contributing to the execution of this output.

Activities for Output 4.1

Activities	Responsibility
4.1.1 Conduct gap analysis to assess capabilities to carry out negotiations in both government and private sector and evaluate existing mechanisms for trade policy and negotiations	WTO
4.1.2 Present the results of the GAP analysis in a national workshop to identify priority measures	WTO
4.1.3 Conduct training workshops and facilitate participation in WTO training programmes both in Geneva and through e-learning tools	WTO

C.6. Timeline of the activities

See Annex C.

C.7. Risks

The counterpart institutions mentioned are parastatal institutions with varying degrees of autonomy. In particular, a successful review of the Standards Act and related legislation would require the support and cooperation of the legal team responsible for framing legislation under the Ministry of Commerce, Trade and Industry, and participation in the public enquiry process by other stakeholders in the public and private sectors.

There is also a risk that unless the conflicts regarding the division of labor and mandate of different institutions involved (ZABS under MCTI and FDA under Ministry of Health for example) is resolved at an early stage, and an agreement is reached among the development partners with regards to the strategy to be followed in-line with the DTIS, further investment decisions might result in further overlapping of duties and duplication of resources.

Specific risks are listed below:

Type of risks	How to mitigate the risks
Lack of human resources, limited availability of counterpart staff in the Ministries and in sub-beneficiary institutions	The Project Team will provide continuous on-the-job training and staff support Mobilization of resources at sub-beneficiary institutions
Low absorption capacity of recipients	Link with ongoing reforms and other development assistance Step-by-step approach to avoid implementation of too many actions
Inadequate actions, not correctly discussed with stakeholders/counterparts/other projects	Stakeholder validation at the beginning of the project Appropriate institutional mechanisms to coordinate three relevant ministries inputs
Government is not ready to approve a revised standards law	Mobilization of Ministry of Industry and Trade
Lack of real empowerment of the ZBS, ZWEMA and FDA	The Project will provide extensive technical support and training Mobilization of the three relevant ministries
Lack of funds to rehabilitate FDA premises, to recruit and retain staff	Through the Trade Expansion Working Group, the project will discuss with Government agencies and try to mobilize political will especially with the Ministry of Finance. If commitment cannot be reached and realistic timelines agreed on, the TEWG together with the project technical management (team) and the donor should agree on how to reallocate resources.
Absence of real co-operation with consumer interests and private sector representatives, institutions, and the Parliament	A high priority of the Project will be in raising awareness on the importance of standards, conformity assessment and quality matters in the country
Little or no interest shown by the private sector	Awareness creation, networking through Zambia Chamber of Small and Medium Business Associations (ZCSMBA), Zambia Honey Council

D. INPUTS

D.1. Counterpart inputs

The Government inputs will consist of contributions in kind. The Government will appoint a suitable National Project coordinator to work with the project and provide office space for the UNIDO project focal point.

The laboratory building modifications required and the running costs of the laboratories to be developed is the responsibility of the government. This includes the refurbishment of the buildings and the installation of the air conditioning systems. However, UNIDO will work with the government to develop a cost-recovery model (including investment) for the laboratories and develop an exit strategy in the case of failure for inputs to materialize.

D.2. UNIDO inputs

D.2.1 International staff

Budget line	Title	W/M
11-00	Chief Technical Advisor	36.0
11-51	Standardization	5.0
11-52	Metrology	3.0
11-53	Microbiology	2.0
11-54	Chemistry	2.0
11-55	Food scientist	5.0
11-56	Short-term (quality ISO 9000, ISO 14000, ISO 22000..), Honey, Evaluation etc.	10.0
Total		63.0

D.2.2 National staff

Budget line	Title	W/M
17-01	National Coordinator	36.0
17-50	National Consultants	32.0

D.2.3 Sub-contracts

Budget line	Title	W/M
21-04	Quality strategy promotion	
21-05	Twinning arrangements / Pilot Certification...	

1. Training

In the 3 years duration of the Project, over 100 nationals from ZABS and the other key quality and SPS institutions will be trained (formal and on-the job) with focus on the following issues:

- Testing, laboratory inter-comparison, ISO 17025
- Aflatoxin management
- Metrology (Industrial and legal)

Detail **assessment** of skills, training requirement and plan will be developed as initial activity of the project.

2. Equipment and supplies

UNIDO will follow its own **standard tender procedures**. Suppliers registered with UNIDO would be invited to bid. The contract award would be the responsibility of the UNIDO Contracts committee

E. BUDGET

See Annex A – Budget by Budget-line. Budget by output will be developed at inception phase of the project.

F. MONITORING, REPORTING AND EVALUATION

The Trade Expansion Working Group (TEWG) is responsible for monitoring the overall implementation of Trade Expansion activities and the IF processes in Zambia. It is expected that in order to achieve meaningful coordination and synergies with development partners and to respond effectively to the needs of the Zambian Government, the project will work directly with TEWG as the official governance structure. UNIDO project will report progress formally to TEWG at least twice a year.

In order to enable day-to-day implementation of the project, the project will have a small team constituted of the UNIDO project manager, a full-time CTA, a full-time national project coordinator, with support from an administrative assistant. The team will be responsible for reviewing and updating short-term workplans and undertaking the activities and sub-activities accordingly.

The project will develop as part of its inception phase, an inception report including performance indicators and main milestones for project implementation to be reviewed at mid-term. The yearly workplans will be developed by the Chief Technical Advisor based on this inception report and updated regularly. The annual workplans will be submitted to the TEWG for review and endorsement. The donor representative in Lusaka will also be invited to monitor the project at the local level and participate in the committee meetings.

The project will be subject to an independent tripartite terminal evaluation (joint review by the Government, the executing agency (UNIDO) and the donor). The draft terminal report shall be prepared sufficiently in advance to allow review and technical clearance by UNIDO and the donor before the meeting.

See Annex D for Logical framework.

G. PRIOR OBLIGATIONS AND PREREQUISITES

The Government will provide the necessary physical space for offices and laboratories and appoint suitable staff to work with the project.

H. LEGAL CONTEXT

According to UNIDO practice

ANNEXES

Annex A - Budget by Budgetline

Annex B - Timeline for activities

Annex C - Logical framework

Annex A- Budget by Budgetline

Bu-li	Title	Total		Year 1		Year 2		Year 3	
		w/m	€	w/m	€	w/m	€	w/m	€
11-50	Chief Technical Advisor	36.0	432,000	12.0	144,000	12.0	144,000	12.0	144,000
11-51	Standardization	5.0	60,000	4.0	48,000	1.0	12,000		-
11-53	Metrology	3.0	36,000	1.0	12,000	1.0	12,000	1.0	12,000
11-55	Microbiology	2.0	24,000	1.0	12,000	1.0	12,000		-
11-56	Chemistry	2.0	24,000	1.0	12,000	1.0	12,000		-
11-57	Food scientist	5.0	60,000	2.0	24,000	2	24,000	1.0	12,000
11-59	Short-term (incl. Evaluation)	10.0	120,000	4.0	48,000	3.0	36,000	3.0	36,000
13-00	Project administrative staff	36.0	108,000	12.0	36,000	12.0	36,000	12.0	36,000
15-00	Project travel		20,000		10,000		5,000		5,000
16-00	Other personnel costs		30,000		10,000		10,000		10,000
17-01	National Coordinator	36.0	90,000	12.0	30,000	12.0	30,000	12.0	30,000
17-50	National Consultants	25.0	62,500	5.0	12,500	10.0	25,000	10.0	25,000
19-99	<i>Sub-total Project Personnel</i>	<i>160.0</i>	<i>1,066,500</i>	<i>54.0</i>	<i>398,500</i>	<i>55.0</i>	<i>358,000</i>	<i>51.0</i>	<i>310,000</i>
21-00	<i>Sub-total Subcontracts</i>		<i>160,000</i>		<i>45,000</i>		<i>50,000</i>		<i>65,000</i>
32-00	Study-tours		110,000		40,000		40,000		50,000
33-00	In-service training		187,000		80,000		50,000		57,000
39-99	<i>Sub-total Training</i>		<i>297,000</i>		<i>120,000</i>		<i>90,000</i>		<i>107,000</i>
45-00	Equipment		860,000		100,000		700,000		60,000
49-99	<i>Sub-total Equipment</i>		<i>860,000</i>		<i>100,000</i>		<i>700,000</i>		<i>60,000</i>
51-00	Sundries		15,000		5,000		5,000		5,000
59-00	<i>Sub-total Miscellaneous</i>		<i>15,000</i>		<i>5,000</i>		<i>5,000</i>		<i>5,000</i>
99-00	TOTAL		2,398,500		668,500		1,203,000		547,000
	Support costs (13.0%)		311,805						
	GRAND TOTAL		2,710,305						

Annex B - Timeline for activities

Semester	1	2	3	4	5	6
Output 1.1						
2.1.1 Survey of existing capacities of the institutions involved and the planned activities						
2.1.2 Organize a high-level workshop						
2.1.3 Draft the inception report and the yearly workplan						
1.1.4. Consult with partners on the project strategy						
Output 1. 2						
1.1.1 Survey to gain knowledge of standards developers in Zambia						
1.1.2 Identify source, regulator and technical basis for all Technical Regulations in Zambia.						
1.1.3 Organize a high-level workshop						
1.1.4. Re-draft the Standards Act						
Output 1. 3						
1.2.1 Review and update as necessary ZABS procedures						
1.2.2 Provide training on the basics of standardization						
Output 1.4						
1.3.1 Prepare national, standards-based quality policy and strategy						
1.3.2 Develop suitable awareness material						
1.3.3 Conduct quality and standards awareness courses						
Output 2.1						
2.1.1 Identify upgrading needs to obtain metrology facilities through the development of a market analysis for demand for services and achieve accreditation in areas not already covered by the CBPSD project if needed						
Output 2.2						
2.2.1 Business plan						
2.2.1 Procure equipment required						
2.2.2 Sponsor on-site training for metrologists						
2.2.3 Study fellowships for metrologists						
2.2.4 Establish contacts with OIML and a partner body						
Output 2.3						
2.3.1 Conduct baseline study of testing demand and output, compare the existing capacities of the FDA and the newly acquired microbiology and chemistry labs in ZABS (under CBPSD project) and develop a business plan						
2.3.2 In consultation with the Government, prioritise the laboratory development needs and agree on a timeline for premises refurbishing and upgrading						
2.3.3 Once agreement has been reached, procure equipment identified through the needs assessment, train staff and assist in obtaining international accreditation.						

Semester	1	2	3	4	5	6
Output 3.1						
3.1.1 Review honey field standards for suitability to international Codex standard						
3.1.2 Review Honey Council training programme and quality manual						
3.1.3 Provide appropriate assistance and equipment to PQPS						
3.1.4 Establish internationally recognized appropriate conformity assessment regime to apply QA						
Output 3.2						
3.2.1 Quantitative analysis of the current extent of aflatoxin						
3.2.2 Monitoring system						
3.2.3 Field manual						
3.2.4 Training of at least 20 extension officers						
Output 4.1						
4.1.1 Conduct gap analysis						
4.1.2 National workshop to identify priority measures						
4.1.3 Conduct training workshops and facilitate participation in WTO training programmes						

Annex D - Logical framework

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	<p>Development goal/impact: To enhance the export performance of the Republic of Zambia by creating conditions for strengthening the national legislative and institutional framework supporting SMTQ, establishing a credible conformity assessment infrastructure and fostering integration into the multilateral trading system. Internal trade benefits to accrue concomitantly.</p>	<p>Volume of traded goods (processed) increase by 5 per cent by year 2015.</p> <p>Rejection of exports reduced by 25% by year 2015.</p> <p>Increased identification of imported sub-standard goods</p>	<p>National customs data</p> <p>National Central Bank data on exports</p> <p>Baseline/follow-up data collected on rejections</p>	<p>Favourable international market conditions</p> <p>Competitive pressures</p> <p>External environmental conditions (both business environment and physical environment)</p>
Outcomes:	<p>1. Government of the Republic of Zambia (MCTI) amends as necessary the legislative framework surrounding MSTQ and has a strategy and tools to encourage the quality culture in Zambia</p>	<p>MoU between the institutions prepared and signed.</p> <p>Standards Act redrafted and submitted to the parliament for approval.</p> <p>ZABS procedures revised.</p> <p>National quality policy and strategy implemented.</p>	Physical records	<p>Commitment and coordination of various ministries involved</p> <p>Willingness of MCTI to accept and act on recommendation as to restructuring of the MSTQ infrastructure</p> <p>The complexity and the expected time frame of approval procedures</p>
	<p>2. National institutions for conformity assessment are able to provide international recognized services to strategic export sectors and for the protection of consumers</p>	<p>Increase in quantity of services purchased from a particular provider</p> <p>Reduced unit costs of certifying/testing products for export</p> <p>At least 3 labs accredited to ISO 17025 by 2012</p> <p>25% increase in customer satisfaction survey results</p>	<p>Records of SMTQ bodies</p> <p>Accreditation certificates</p> <p>Customer surveys</p>	<p>Government commitment to provide in-kind contributions in a timely manner</p> <p>Recruitment/retention of trained staff</p> <p>Commitment of management to customer service</p> <p>Government commitment to providing enabling business environment (including for private providers)</p>

	3. The Zambian Quality Chain with regard to testing and export certification of products in selected sectors – honey, coffee and paprika – strengthened.	<p>Certificates from accredited test lab accepted as evidence of absence of American Foulbrood in honey exports</p> <p>Reduction in aflatoxin contamination in selected areas by 15% by 2012</p>	<p>Customs data/ information on rejections</p> <p>Difference between baseline study and test results</p>	
	4. Trade policy and negotiations capabilities of the Government of Zambia are strengthened	<p>Zambian negotiators actively participating in meetings, holding important chair positions in committees</p>	<p>WTO records</p>	<p>Willingness of government agencies involved to undergo training.</p>

Outputs	<p>Output 1.1 Develop strategy/methodology for reviewing the needs of main conformity assessment institutions (ZABS, ZWEMA and FDA etc.) and the division of labour between them. Prepare an inception report including yearly work-plan including performance indicators and main milestones for project implementation to be reviewed at mid-term</p> <p>Output 1.2 Review the existing Standards Act and make recommendations for positioning ZABS as the peak standards body in Zambia, to encompass two spheres of activity – “Good of the nation” activities (standards information provision and standards development and promotion) and “Commercial” Conformity Assessment activities.</p> <p>Output 1.3 Review and update, as necessary, operating procedures at ZABS and provide training required to enable ZABS to operate in accordance with the Code of Good Practice for the Development and Application of Standards (annex 3 to the WTO/TBT Agreement) and to carry out accredited conformity assessment activities in accordance with ISO/CASCO standards.</p> <p>Output 1.4 A national quality policy and strategy for Zambia are established, followed by an awareness campaign in all regions</p> <p>Output 2.1 ZABS in a position to provide calibration services (traceable to international standards) to the industry/ exporters and meeting the needs of the country in all the metrology fields.</p> <p>Output 2.2 Inspection and Verification Services of Zambia Weights and Measures Agency (ZWEMA) improved</p> <p>Output 2.3 Testing Capabilities of Food and Drug Control Laboratory of the Health Ministry upgraded to provide reliable services to public and private customers in microbiology and chemistry, especially for mycotoxins in targeted products such as coffee and paprika.</p>	<p>Inception plan, report of meeting between important stakeholders defining the strategy for assistance to various institutions</p> <p>Draft ZABS law</p> <p>ZABS procedures redrafted</p> <p>Draft of national quality policy in place</p> <p>Availability of business plans for NSB, laboratories, certification and accreditations bodies</p> <p>Number of national technical committee meetings held</p> <p>Nos. of trained staff</p> <p>Equipments installed and properly used (incl. maintenance)</p> <p>Number of qualified auditors/assessors trained</p>	<p>Project records</p>	
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	<p>Output 3.1 Development and publication of Zambian standards based on Honey Council field standards, and establishment of code of practice for honey producers and aligning with international (Codex) standard in area of Honey and Honey products</p> <p>Output 3.2 A demonstrative mycotoxin management system is put in place in selected areas</p> <p>Output 4.1 Training Zambian trade officials in trade policy and negotiations and holding of seminars across the country to raise awareness of the private sector and to involve them in trade policy and negotiations-This output will be conducted by the WTO. The WTO will provide its own resources for contributing to the execution of this output.</p>	<p>Code of practice prepared</p> <p>Pilot aflatoxin sampling and monitoring plan in place, at least 20 extension officers trained.</p> <p>Number of training sessions.</p>		
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