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	**Development of a project for a biosecurity classification system and registration for SPS Laboratories in Guatemala**
Budget requested from STDF	US$ 42210.00
Full name and contact details of the requesting organization(s)	Asociación Guatemalteca de Exportadores 15 Avenida 14-72 zona 13, Guatemala, Centroamérica, Guatemala. Ciudad.
Full name and contact details of contact person for follow-up	Zsolt Gerendas Armas PBX + 502 24223400 Phone + 502 24223512 E-mail zsolt.gerendas@agexport.org.gt

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 following preparation grant request is for the development of a project proposal to be presented to STDF or other donors. The reason to request the grant is because the kind of project proposal to be developed needs the support of at least one technical expert in the field who must be able to recommend the activities and logical framework of the project in order to achieve the expected goal.

We have not been able to find such an expert in Guatemala, or in regional SPS organizations operating in the Central American region. Therefore our request is open for the STDF experts to suggest such experts and observations in order to locate the proper person to help us build a well-developed project that considers all the technical activities, proper timeframes and terms of reference for the experts to be hired with the project funds.

As for the development of this PPG, based on our experience, we have estimated a total of 60 working days for an expert in laboratory biosecurity and its related regulations to get to know the Guatemalan present situation and work on the new framework to be developed by the project.

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.

The problem we want to address with the project proposal is related to the approval system established in Guatemala for samples that are imported by laboratories and are either rejected, lost, or confiscated by customs due to misinterpretation of risk assessments or technical information sheets.

Samples are imported into the country for various reasons, such as proficiency tests, calibration of laboratory instruments, testing confirmation procedures, registration procedures, or merely commercial services that laboratories sell to neighbouring countries with less technological development.

The existing system requires the importer to request permission to import the sample every time he needs to import one. Depending on the authority with competence related to the type of sample a "risk analysis" is done by a technical committee, or by an office clerk, and permission is either granted or denied. There are no documented criteria for the risk analysis to be performed and no documented experience of the people performing the risk analysis.

The situation has kept government laboratories, academic laboratories and private laboratories with no supply of samples, or some supplies, to perform positive confirmation tests on most plant or animal diseases, pests or pathogens, which are essential to achieve the level of confidence in their tests that would allow them to request accreditation, reduce testing costs and time response for exporters and importers with foreign laboratories, and strengthen the national surveillance programs for quarantined diseases. With this system laboratories are also kept isolated from collaborative essays and proficiency tests which would provide them experience and confidence on their results as well as international recognition.

Putting a new system in place would bring many positive results such as, allowing these laboratories to fulfil testing quality control requirements for accreditation; increase their level of confidence and certainty of their test results; provide services to local farmers and industries as well as farmers and industries from neighbouring countries; and also improve

the response time for surveillance programs controlling export productions and import shipments of fresh products, seeds, animal foodstuff, or supplies to produce it; and controls for many other food products, agricultural, pharmaceutical and health products.

The general idea of the project we want to develop is based on the systems we have known from documents we are asked to fill and send when samples are exported to the United States or Australia for testing. In those countries laboratories are classified based on risk categories and registered to be recognized as importers, or quarantine zones by quarantine authorities, so that samples aren`t kept at customs premises and safety is kept for all parties involved.

The lack of the proper procedures to import samples for laboratory use in quality control or testing purposes is affecting the competitiveness of many animal, fresh agricultural produce, food, pharmaceutical, and other exporting enterprises in Guatemala by forcing them to perform tests outside the country with the related costs of time and logistics of exporting their samples, while keeping a weak laboratories infrastructure in Guatemala due to the lack of proper procedures to approve the imports of samples and supplies.

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.

The project needs to address more than one public organization in the country, therefore we have agreed with the "National Council of Technical Regulations- (CRETEC)" that they will support the project. The CRETEC is driven by the Ministry of Economy and one of its main tasks is to organize technical regulation activities and consensus among authorities who develop technical regulations. Therefore through the council we will be able to address all authorities involved such as the Ministry of Agriculture, Ministry of Health, Ministry of Economy and others if necessary.

The project idea has also been discussed with government laboratories, academic laboratories, and private third party and first party laboratories, who agree that this is an urgent matter that has to be addressed. That is why the Laboratories Commission at the Guatemalan Exporters Associations has taken the initiative to present this request to STDF.

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.

Regarding laboratories, there has been a regional project called PRACAMS working in Central America with training activities and courses addressing various aspects related with accreditation. With this project many national laboratories found out how critical it is to take part in Proficiency tests and also to have access to positive controls in their laboratories, and how difficult it is to import the samples.

PRACAMS has two expected results that have a close relationship with this project but are however very limited if imports of samples do not work as expected. These results are:

Result 2: A regional accreditation network strengthened through its members
Result 4: Regional conformity assessment bodies and their networks are strengthened by the project.

PRACAMS hired an expert on customs issues to study the problem and give a report with a possible solution, yet all he reported is that all Central American countries have the

legislation to approve the import of samples, but customs officials do not enforce them. Customs officials do not enforce those regulations because they are not prepared to decide whether a sample presents a risk or not and under which conditions it should be allowed to enter the country. This grey area in the regulation is the cause for the excess of time that it takes for most samples to get out of customs and get lost due to expiration dates, bad storage conditions or handling procedures. This expert was requested to find out if there were procedures to import samples, not if there were better ways to facilitate it, which is what we want to develop.

There is also a regional project from PTB in Central America working on metrology aspects with the national metrology laboratories, they also have difficulties moving the "travelling standards" or importing chemical standards when trying to organize proficiency tests, but are not approaching the problem and leaving each country to solve importation procedures on its own according to the present regulations.

Regarding projects performed by the United States Cooperation in Guatemala we have been informed that the cooperation "Food for Progress" has been used to strengthen capabilities at the National Health Laboratory and the Laboratories at the Ministry of Agriculture. This cooperation has been used for the construction of a laboratory for animal diseases, training of laboratory experts in testing methods and equipment for food safety tests, plant diseases identification and animal diseases. Although in some activities the laboratories have had the need to import samples and supplies and found the same problems to get the samples out from customs, no project or activity has been directed, up to now, to work on the problem of imports of samples.

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.

Up to now we have found no potential donor for this project. Most donors, at the moment are working on other TBT or SPS activities in the region, either with laboratory training activities and equipment, or particular SPS problems which partially have some relation with laboratory testing. Since this is an issue that deals with more than one authority they have not approached it as part of their present or past projects. The fact that we have found the way to work with all interested parties at the Technical Regulations Council is a new approach that no other donor has seen up to now.

The Technical Regulations Council has been active since only a few years now (approximately 2 years), and is therefore unknown by most international cooperation agencies.

We have met with the Food for Progress representative in Guatemala and found out that there are no funds assigned by them to work on an activity such as the one presented in this proposal.

The EU "PRACAMS" project has already assigned all its funds to other type of activities with laboratories and will be closing soon, so there is no possibility for them to start working on this issue.

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 will be grateful if STDF provides a shortlist of experts on biosecurity classification of SPS laboratories handling animal, vegetable, soil and other related samples. We are especially interested in experts from the USA, or Australia, since these are the import systems we have studied, however experts who know other similar systems are welcome.

The way we understand it, there needs to be a managing institution for the project, we are proposing that the Guatemalan Exporters Association (AGEXPORT) manages the project. AGEXPORT has already managed successfully an STDF project and has also a large experience record with other donors such as the European Union or the USAID.

All activities regarding government agencies will be organized with the competent authorities through the National Council of Technical Regulations office, and all activities regarding assistance and training for laboratories will be organized through AGEXPORT by its Laboratories Commission.

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	Responsible	Estimated Budget (US$)
Selection of an expert in laboratories and biosecurity who will develop the draft project activities and budget.	AGEXPORT	
Determination of Guatemalan laboratories needs and intentions for importation of samples- This needs to be done in order to establish the scope of laboratories that need to import samples.	Expert	10550.00
Review of the training needs for SPS laboratories regarding biosecurity practices – Design of the training component of the project. There has to be a training program for the competent authorities and a training program for laboratory technicians and assessors in charge of biosecurity	Expert	10550.00
Evaluation of the design and premises of actual laboratories and development of the criteria to reach the proper biosecurity levels according to the services they offer.- Development of the component with activities to establish the technical criteria and assistance for laboratory classification according to biosecurity levels to be approved by CRETEC member authorities (CRETEC-Technical Regulations Council)	Expert	10550.00
Review of the present regulation for importation of samples- Proposal of the plan for technical assistance regarding legal aspects for CRETEC members in order to establish a new system for the import of samples. This should include activities	Expert	5285.00

such as development of regulations, manuals and criteria to assess laboratories, register them and approve them as importers of samples.		
Development of the draft project for STDF or other donors for the **biosecurity classification system and registration for SPS Laboratories in Guatemala** including budget for the project.	Expert	5275.00
Final project document and annexes sent to STDF or other Donor	**AGEXPORT**	

Appendixes

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

Appendix 2: Curriculum Vitae and record of achievements for any consultants proposed to implement this PPG.