

Terms of Reference

Cost-Benefit Analysis for Establishing a Foot and Mouth Disease Free Zone in Tanzania STDF/PPG/516

Background

1. In October 2015, the STDF Working Group approved a project preparation grant (PPG) entitled "Benefit-Cost Analysis for Establishing a Foot and Mouth Disease (FMD) Free Zone in Tanzania". The PPG was requested by the Department of Veterinary Services in the Ministry of Livestock and Fisheries Development and supported by various government stakeholders.¹ The objective of the PPG is to perform a cost-benefit analysis of establishing an FMD-free zone in Tanzania and recommend potential follow-up actions. Depending on the findings and recommendations of this analysis, the STDF Working Group may subsequently allocate funds to develop a project proposal to establish said zone or any alternative intervention that may be recommended.
2. Tanzania has outstanding natural resources for livestock development, including resilient livestock breeds, extensive rangelands and diverse natural vegetation. Of the 88.6 million hectares of land resources in the country, 60 million is suitable land for grazing. Despite abundant resources, the livestock sector is performing below its potential. The sector is severely constrained by low livestock reproductive rates, high mortality and high disease prevalence, including FMD, and inadequate investments to enhance its contribution to the development of the country.
3. Foot and Mouth Disease is endemic and widespread in Tanzania. It was first recorded in the country in 1927 and has since been reported every year, generally in all mainland regions. The disease causes serious production losses, particularly in dairy cattle, including small-scale dairy producers, and impedes trade of live animals, beef and other animal products due to imposed bans of importing countries. Recent household surveys in Northern Tanzania indicate that FMD is second only to East Coast Fever in terms of household ranking of livestock diseases in order of importance.
4. Tanzania is currently exporting live animals and meat to external markets such as the Democratic Republic of Congo (DRC), Comoros and the Middle East (Kuwait, United Arab Emirates and Oman). However, the occurrence of FMD throughout Tanzania not only bars the country from international markets for fresh meat, but also prevents exports to otherwise readily accessible markets such as Malawi, Zambia, Burundi and Rwanda.
5. According to the Ministry of Livestock and Fisheries Development (MLFD), Tanzania has several suitable areas for establishing FMD-free zones, including the Rukwa-Katavi area in the south western part of the country (bordering Zambia and Democratic Republic of the Congo), the Kagera region in north western Tanzania (bordering Uganda and Rwanda), and the eastern zone comprised of Morogoro and Coast regions (near Dar es Salaam). These areas have adequate transport infrastructure, easy access to external markets, abundant rains on fertile soils, and a sound livestock resource base.
6. Before embarking on the development of a FMD-free zone, a cost-benefit analysis is necessary to guide policy makers on the economic merits of such a large investment. The

¹ Including the Ministry of Livestock and Fisheries Development, Rukwa Regional Commissioner's office (Zonal Veterinary Centre) in Sumbawanga, the Tanzania Meat Board, the Tanzania Veterinary Laboratory Agency.

analysis should analyse target products and export markets to determine if an FMD-free zone would relieve export-related constraints and contribute to new market access opportunities. The analysis should evaluate the cost of establishing the zone, including measures to eradicate FMD with vaccination, maintain the disease free status, and the implementation of disease surveillance mechanisms. It should also assess its impact on other livestock owners, particularly pastoralists. The analysis will include environmental impact and implications on natural ecosystems, recognizing that wildlife tourism and conservation are extremely important in Tanzania.

Description of tasks

7. Under the overall supervision of the STDF Secretariat, in close collaboration with the Tanzanian authorities, the FAO Animal Health Service, and the World Organization for Animal Health (OIE), and in consultation with other relevant stakeholders, the international consultant will:
 - i. Estimate the costs and benefits of establishing an FMD-free zone in Tanzania. This analysis should be based on consultations with relevant stakeholders (government, private sector, development partners, donors, etc.) and should include a systematic examination of the following:
 - Target livestock products and markets to determine demand and trade benefits of the establishment of an FMD-zone. Both regional and other international markets should be analysed. Other trade-related constraints beyond FMD should be analysed as well.
 - The environmental impact of this FMD-free zone from a conservation and tourism point of view (e.g. game-proof fencing).
 - Livestock population, productivity level, potential access to markets, access to slaughterhouses and processing plants of the proposed zone.
 - Human resource needs and infrastructural requirements related to upfront and ongoing costs for the establishment and maintenance of the FMD-free zone.
 - Review experiences from other African countries such as Uganda, Botswana and Namibia regarding the establishment and maintenance of FMD-free zones.
 - Whether alternative investments in relation to FMD management may be worth focusing on.
 - ii. Share a draft of the cost-benefit analysis with concerned stakeholders in Tanzania for their feedback and comments in order to prepare a revised version.
 - iii. Submit a detailed cost-benefit analysis report, based on the aforementioned requirements, to the STDF Secretariat by the date stated in Article 2 of the contract. This report should attach a list of persons consulted/interviewed, as well as a bibliography of documents used for reference.
 - iv. Wherever possible, the consultant should provide electronic copies of SPS-related documents identified as part of the analysis work to the STDF Secretariat for inclusion in the STDF Virtual Library.

- v. The international consultant may sub-contract qualified international consultants for his or her complementary expertise and a national consultant to provide logistical and other support, as required, for implementation of the feasibility study (e.g. to identify relevant stakeholders and arrange meetings, collect data and information, etc.). In this case, the international consultant will prepare Terms of Reference for the international and national consultants.
8. Upon completion of the cost-benefit analysis, the STDF Working Group shall decide whether to proceed with the development of a project proposal. If a decision is made to develop a project proposal, a separate contract and TORs will be prepared for this purpose.