

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	Feasibility study for establishment of a fresh meat producing compartment in Zimbabwe
Budget requested from STDF	48,000
Full name and contact details of the requesting organization(s)	Department of Livestock & Veterinary Services ZIMBABWE Departmental email: newazvo@dlvs.gov.zw vetsec15@gmail.com Phone number: +263-4-707683
Full name and contact details of contact person for follow-up	Dr T Chikaka Government Veterinary Officer Division of Veterinary Services 1327 Artherstone Road Bindura Zimbabwe drchikaka@gmail.com Dr CT Hodobo Veterinary Research Officer Central Veterinary Laboratory 18A Borrowdale road Harare Zimbabwe tinashehdb@gmail.com

I. BACKGROUND AND RATIONALE

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

The purpose of this PPG is to conduct preparatory studies to inform a pilot trial on the production in Zimbabwe, of “disease free commodity” or “commodity based” fresh beef in establishments within areas not free from Foot and Mouth disease (FMD). This is with reference to the OIE Terrestrial animal health code (TAHC) article 8.8.22 (2015). FMD is an OIE-listed, contagious transboundary disease affecting mainly cattle and pigs, with morbidity approaching 100% at times. It also has serious socio-economic consequences and is of major importance in international trade of animals and animal products.

About 65% of Zimbabweans reside in rural areas and derive their livelihoods from agriculture. Livestock and livestock products contribute significantly to the country’s agricultural economy, with cattle accounting for 35-38% of the agricultural GDP. Approximately 55% of households in communal farming areas own cattle and more than 60% of them are in areas endemic or at risk from FMD, where offtake is way below a desirable 20% and are largely excluded from external trade due to sanitary risk. Cattle in such areas frequently need to be protected from the disease by regular vaccination which has been leading to prejudice at marketing.

OIE standards provide sanitary measures adopted by trading partners with respect to the protection of territorial space from risks to animal and environmental health. Whereas until a few years ago, trade in fresh beef from countries endemic for FMD could only be accepted from geographically determined disease-free zones, the OIE TAHC article 8.8.22(2015), now provides a value chain risk reduction non-geographically based standard for the production of “disease risk-free” fresh beef from such areas, which can be safely traded.

Zimbabwe seeks STDF funding to employ an international consultant, assisted by local professionals to carry out a baseline economic study on commodity based trade in fresh beef in the country. FMD-free zones have been created in countries, such as Botswana, Namibia, South Africa and in the past, Zimbabwe, by investing in costly fencing to separate cattle from wildlife, geographically. However this scheme, whilst allowing a degree of market access, is controversial due to its impact on wildlife, people and the Tourism industry. It is also only feasible for large-scale commercial farming and is not an appropriate option for the millions of poor small-scale livestock farmers in Africa.

The PPG consultancy is intended to evaluate the expected economic viability in order to provide evidence and enable larger numbers of cattle keepers for scaling up to such levels as to demonstrate impact on the measure in improving the cattle economy and FMD control in general. When many more cattle keepers participate in the requisite approaches and realise benefits for the lucrative cattle trade, FMD control will perhaps become less of a burden to Veterinary services, thereby making a contribution to the global FMD strategy more feasible. The PPG will aim to demonstrate the potential magnitude of this economic benefit and is people oriented. The study will seek to investigate how small holder farmers in FMD vaccination areas can be mainstreamed into the beef value chain, to benefit from market access and hence reduce poverty levels.

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 key SPS issues relate to the sanitary safety of fresh beef as a potential medium for the spread of the FMD virus to importing countries and globally, through trade. The new standard requires the implementation of certain risk reduction measures on the value chain of beef from FMD vaccination

areas. These measures need to be evaluated under local management, processing and marketing systems.

Sanitary measures applied in the value chain of fresh beef should show their ability in minimizing risk through trade and hence their potential to meet importing country requirements to enable market access.

Given that over 90% of cattle are in the small holder areas, 60% of which are in areas at risk from FMD, the implementation of the commodity based beef production should result in more direct mainstreaming of a large proportion of cattle from this generally resource-poor sector into the commercial beef industry and a more lucrative export market. This addresses national and global policy and strategy aspirations towards livelihood improvement and poverty alleviation. In the process, the capacity of value chain service providers, especially veterinarians and livestock extension personnel will be facilitated to tackle the commercial orientation of the majority of small holder cattle keepers.

Incremental implementation of this new standard by countries helps in confidence-building that is necessary for the promotion of trade in fresh beef presently constrained by FMD, to national and regional disadvantage by mainstreaming, or integrating the trade standards into the country's national development strategies. Effectively, it enables application of the SPS provision for disease-free commodities for fresh beef. Mainstreaming, in turn, will feed the trade priorities into the dialogue between the country and donors interested in trade and development.

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.

Zimbabwe Farmer's Union

Commercial Farmers' Union

Zimbabwe Abattoirs Association

Ministry of Trade and Commerce

Zimbabwe Forum for Agricultural Advisory Services

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

The Zimbabwe Government continues to support the Veterinary Services' official program covering FMD surveillance as well as prevention and control by vaccination, in the hope that we will eventually gain the confidence of potential importers interested in our fresh beef. The enhanced marketing possibilities will definitely be beneficial to households, regions and communities. Control of FMD also helps in resilience building for communities living under threat of the disease as animals continue to play a utility and productive part in the livelihoods of small holder cattle keepers in these marginal rainfall areas.

A number of non-governmental organisations eg. Goal, WV, SAT, have been assisting communal are farmers establish cattle finishing and marketing schemes for better returns. However, in FMD

areas, cattle prices are still compromised by the background FMD risk. This proposal and the pilot it will support will be a way for cattle finished off in these areas to fetch better prices without discrimination.

Currently the country has engaged a consultant, Dr Thomson who is working on the national FMD strategy, putting together the road map for Zimbabwe, in the progressive control of FMD. The strategy is an important part of a requirement to have an internationally recognised official FMD control program and eventually an evidenced national FMD status in accordance with the OIE standards. The Commodity based beef standard is viewed as an important component of the official control program for endorsement by the OIE for trade purposes.

The country is therefore preparing to apply for OIE endorsements of its official control program and eventually for its status of FMD.

Zimbabwe has been a beneficiary of vaccine support for FMD prevention and control from donors. It is now necessary to show how benefits can be derived from such support in stimulating sustained FMD control towards economic growth.

Under the Veterinary Governance Project of the Animal Resources Bureau of the Africa Union, Zimbabwe has proposed to build its value chain capacity for commodity based beef production by setting up a pilot trial to test the viability of such a scheme for market access.

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.

Zimbabwe wants to put to test the concept of fresh beef production following commodity based trade provision in the OIE terrestrial Animal health code chapter on FMD in areas where preventive vaccination against FMD is routine. A grant for field trial grant of about US\$200,000 (two hundred thousand dollars US) has been requested from the Africa Union Animal Resources Bureau. This will only cover the actual implementation of a test run involving all value chain players but will be grossly insufficient to cover accompanying logistical costs.

Due to limited budget funding from AU-IBAR the programme would be at risk of implementation without an economic analysis carried out, particularly in the communal set up where the livestock producers have not traditionally had direct export linkages from such areas. The AU/IBAR grant is limited to \$250,000 per country under the Veterinary Governance provision. Only \$200,000 is presently available for this proposal and was already not enough for the proposed work approved. Supplementary finance is anticipated from partner organisations as indicated in the proposal to AU/IBAR. In principle the grant has so far undergone the approval process, but is yet to be released to us.

Staff to run the project, need to be familiar with the concept from a practical example. This PPG is therefore requested to run an ex- ante economic analysis which will provide information to value chain actors to be involved to facilitate the pilot activity. The present application seeks funds to cover the consultants' work and the preliminary study tour to Namibia, a neighbouring country, which has applied the concept.

6. Briefly explain how cross-cutting issues (e.g. related to gender, the environment) are relevant for this PPG and, if appropriate, how they will be addressed.

The epidemiology of FMD in Southern Africa involves wildlife reservoirs. The disease will therefore be difficult to eradicate. Acceptance of this fact by way of the commodity based beef standard recognizes that the main way of protecting cattle from infection is through regular vaccination and employment of good animal husbandry practices. This approach followed by intensive surveillance, careful ante-mortem veterinary inspection and post- mortem treatment of meat, will drastically reduce animal health and food safety risk, allowing it to be traded safely. Consistent culling of animals through slaughter for meat meets both food and nutrition requirements at household and national levels, raise income prospects for cattle keepers a considerable portion of whom are women. It is also climate smart and helps in reducing land degradation through over stocking with

animals which may no longer be useful in herds. The commodity based beef will therefore be an incentive for commercialisation of cattle production which is very low presently.

Active participation by small holder farmers in disease control helps to control spread by making them realise the benefits of being part of value chains. It is more feasible for small holder farmers to comply with recommendations that enable them to have access for their produce rather than fences imposed on an arbitrary geographic basis, in the context of FMD control, which negatively impacts on livelihoods. Farmers feeling unfairly categorized on geographical basis will often engage in illegal animal movement leading to disease spread rather than cooperate in disease control by the Veterinary Services.

Introduction of the CBT standard therefore calls for a herd management mind set change, which is the reason why the package when tested must be presented to communal smallholder cattle owners explaining farmer responsibility, the economic and business advantages of compliance to the requirements of the OIE standard, thereby minimising resistance to change. An illustration of the benefits to smallholder communal farmers will also be important in the total evaluation of benefits of the scheme to veterinary service provision in the context of FMD control.

II. IMPLEMENTATION & BUDGET

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

We expect an international consultant to implement the PPG and hence request a shortlist of relevant consultants for this PPG.

8. 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\$)
Travel flights (within the region)	Consultant	2 000
DSA	Consultant	3 000
30 man days of Consultant desk study	Consultant	18 000
8-day Study tour of 10 Veterinary staff to the Zambezi province of Namibia	Principal Director of Livestock & Veterinary services	20 000
Miscellaneous(Vehicle hire, fuel costs etc)	Principal Director of Livestock & Veterinary services	5 000
Total		48 000

Departmental Veterinary staff visit to the Zambezi region on Namibia, is critical given that in this region cattle involved are mostly communally owned, and considering that in Zimbabwe there is a paradigm shift to mainstream small-holder farmers into the value chain. First-hand experience on exports originating directly from communal areas is vital. In the past when Zimbabwe was

exporting fresh frozen beef to the EU, it was largely from self-contained commercial farms, which were easier to manage. To mitigate possible pitfalls, which could have been addressed in countries with such experience, the tour is a pre-requisite to the pilot. In addition, it is important to relate the Namibia's Zambezi region scenario to the Zimbabwean context, which can most effectively be done through a tour, where value chain players can be interviewed to give their perspective about how this has worked for them.

Appendixes

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