

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	Piloting the use of P-IMA in the CARICOM region
Budget requested from STDF	US\$ 40,450
Full name and contact details of the requesting organization(s)	<i>Caribbean Agricultural Health and Food Safety Agency Letitia Vreisdelaan #10, Paramaribo, Suriname Phone: Mobile: 597-714-2085; Office: 597- 42-2546 E-mail: ceo@cahfsa.org or cahfsa14@gmail.com Website: www.cahfsa.org</i>
Full name and contact details of contact person for follow-up	<i>Mrs. Juliet Goldsmith Chief Plant Health Specialist Caribbean Agricultural Health and Food Safety Agency Letitia Vreisdelaan #10, Paramaribo, Suriname Phone: Mobile: 597-714-2085; Office: 597- 42-2546 E-mail: ceo@cahfsa.org or cahfsa14@gmail.com Website: www.cahfsa.org</i>

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 Caribbean Agricultural Health and Food Safety Agency (CAHFSA) is requesting an innovative, scalable and collaborative regional PPG, to use evidence and consultation with relevant stakeholders to develop a regional project which will prioritize SPS investments in the CARICOM region. A central piece of this PPG will be leveraging the application of the Prioritization of Investment

Market Access (P-IMA) framework in The Bahamas planned by the Bahamas Agricultural Health and Food Safety Authority's (BAHFSA) in the second half of 2020, to prepare the entire CARICOM region for a CARICOMwide application of the P-IMA tool. Funding to apply P-IMA in The Bahamas will be provided by BAHFSA's national resources.

The proposed project will support efforts by national governments, regional bodies, and development partners to ensure that SPS investments are scientifically justified and integrated into national/regional policy making, investment frameworks, and trade strategies. This project has the interlocking focus of CAHFSA's mandate to support the creation of National Agricultural Health and Food Safety Authority (NAHFSA) throughout the region. The project builds on and links its activities to BAHFSA, CAHFSA, and other Caribbean NAHFSA's policies/trade goals. CAHFSA as the lead agency for this project will ensure that all relevant agencies participate equally and that lessons learned are disseminated both nationally and regionally (in the Caribbean context) to member states at varying stages of development. For this purpose, during the pilot of P-IMA in The Bahamas, CAHFSA will organize a regional meeting for select CAHFSA members, to observe the practical roll out and different steps in the P-IMA process. This meeting will provide select CAHFSA members the opportunity to get a feel of the P-IMA tool, understand the kind of engagement both from the public and private sector that is required and anticipate advantages in their national contexts.

CAHFSA's leadership also provides coordinated follow-up and continuity after the project over across all agencies, stakeholders, shareholders, and regional observers that may be interested in improving their SPS coordination mechanisms so that the tool can be replicated nationally and regionally. Furthermore, this project serves as part of a regional cluster from which the tool can be universalized as it is able to engage with other users of the tool more effectively as all participant nations are able to share their needs using the same framework. This makes cooperation easier as the same paradigm is used for the communication of needs. The improvement of collaboration in terms of SPS investment planning inevitably translates to trade facilitation as nations will have a frame of reference shared by all that improves the harmonization and development of equivalence amongst trading partners.

Many CARICOM countries have had studies conducted by various development organizations (IICA, CARDI, CABI, etc.) and all have concluded that more investments are needed in SPS management. CAHFSA being a regional SPS Authority recognized this issue and sought to develop a framework that systematically addresses the most pressing issues faced by the region. The lack of investment has wide ranging affects including complications that hinder trade, increased vulnerability to climate change related pests and diseases, increased vulnerability to the spread of pests and disease related to trade, and vulnerability to new (more resilient) pests and diseases. This demand-driven effort by CAHFSA, in collaboration with its national stakeholders, national shareholders, and BAHFSA aims to use the P-IMA tool to prioritize SPS investments under a systematic and science driven investment frameworks. The project would enable better coordination among national stakeholders in trade, create an appetite for the development of NAHFSA's in the CARICOM region, facilitate trade, educate CARICOM professionals in the use of P-IMA, and reduce vulnerabilities from pests and diseases.

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.

CARICOM Member States are particularly challenged in accessing markets due to infrastructural, financial, and political deficiencies. The balance of trade in agri-food products is highly negative (US\$3.4 billion/year) with imports nearly three times greater than exports. Only Belize and Guyana run an agricultural trade surplus, but this appears to be declining. Agriculture provides only a small fraction of Gross Domestic Product (GDP) in the region (around 0.1%) and is of lower economic significance compared to sectors such as tourism, energy and finance. However, the agricultural sector is of great importance regionally, in terms of socioeconomics and food security, with at least 8 million (29% of the population) dependent on agriculture in 2012 (FAO, 2014). Having conducted several studies it is now known that investing in compliance with the SPS

Agreement can unlock 3.079 billion USD in trade benefits for the CARIFORUM region. ¹SPS infrastructural development in the region has been characterized as having fragmented and outdated legislation, limited national and regional coordination amongst institutions and groups addressing Agricultural Health and Food Safety System (AHFS) matters, and limited human resources to implement the SPS regime. In most CARIFORUM countries, effective SPS measures are undermined by the existence of fragmented legislation, multiple jurisdictions, inadequate enforcement, and chronic underfunding.

The countries that are made to benefit from proper investment in their respective SPS infrastructures include Antigua and Barbuda (with expected trade benefits of approximately \$20,000,000 USD), The Bahamas (with expected trade benefits equalling \$175,000,000 USD), Barbados (with expected trade benefits of \$54,000,000 USD), Belize (with expected trade benefits equalling \$215,000,000 USD), Dominica (with expected trade benefits equalling \$13,000,000 USD), Grenada (with expected trade benefits equalling \$34,000,000 USD), Guyana (with expected trade benefits equalling \$106,000,000), Haiti (with expected trade benefits equalling \$147,000,000 USD), Jamaica (with expected trade benefits equalling \$252,000,000), St. Kitts and Nevis (with expected trade benefits equalling \$8,000,000), St. Lucia (trade benefits equalling \$11,000,000), St. Vincent and The Grenadines (with trade benefits equalling 41,000,000 USD), Suriname (with trade benefits equalling \$76,000,000), and Trinidad and Tobago (with trade benefits equalling \$276,000,000). This investment in SPS compliance is divided into public compliance investment and private compliance investment highlighting the need for focused coordination to maximize the trade benefits available in the respective countries. This project aims to provide this through an effective AHFS prioritization and planning system that transition CARICOM nations from operating reactionarily in their investments in SPS to a more systematic, integrated, and comprehensive manner.

The harmonized prioritization of SPS investments of the competent authority (i.e. CAHFSA) at the regional levels will serve to more efficiently and coherently coordinate the AHFS system of the region and allow meaningful and active participation and influence in the international arena. This project will provide the basis for advocating for the sustained investment into strengthening AHFS systems in CARICOM and informing public and private stakeholders on essential factors for consideration when entering new markets. This is particularly important for the fishery sector that contributes to food security, poverty alleviation, employment, development and stability of rural and coastal communities, culture, recreation and tourism, as well as to foreign currency accounts from exports. Although CARICOM nations have been able to calculate their own public and private costs for compliance, it can be a challenge to choose where to start investing. The decision between competing SPS investments need to be made systematically and collaboratively amongst the stakeholders. This is especially needed because SPS capacity varies across the country and therefore leveraging strengths and overcoming weaknesses will need to be managed carefully with data driven decision-making. A system that combines improving SPS decision-making processes, setting priorities for SPS capacity building and investment, exploiting economies of scale to enhance the efficiency of resource allocation at a national levels, and improve decision making that sometimes needs to be collective will be able to accomplish this. Initial analysis in The Bahamas highlighted a number of SPS capacity building priorities. Some priorities are common to all islands of The Bahamas and need collective interventions. Identifying such collective capacity building actions and mobilizing the necessary investments, would unlock the country's potential to connect supply chains beyond domestic borders and effectively integrate in regional and global supply chains.

Funding is request for the PPG as CAHFSA will invite designated regional representatives travel to :

- I. participate in the P-IMA inception workshop in The Bahamas;
- II. attend a two-three days "hands on" training in applying the P-IMA tool; and
- III. attend a two-day dedicated regional meeting for the preparation of an STDF regional project proposal to upscale and widen the use of P-IMA in the CARICOM.

The regional representatives invited to travel to the Bahamas will be from CAHFSA's member states that will learn from the exercise in The Bahamas in preparation for the project proposal that will result from this project preparation proposal. CAHFSA Member states (especially LDC nations like Haiti) will be invited to travel to participate in workshops and training exercises in order to prepare

the member states of CAHFSA for the application of P-IMA more widely throughout the Caribbean in the subsequent Project proposal.

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

This PPG is supported by the following entities:

- Caribbean Agricultural Health and Food Safety Authority (CAHFSA),
- Bahamas Agricultural Health and Food Safety Authority (BAHFSA), The Ministry of Agriculture and Marine Resources (MAMR) of The Bahamas, The University of The Bahamas (UB)
- Belize Agricultural Health Authority (BAHA)
- The Government of St. Vincent and The Grenadines Ministry of Agriculture, Forestry, Fisheries, Rural Transformation, Industry & Labour (awaiting)
- Guyana Ministry of Agriculture
- Jamaica (awaiting)
- Haiti (awaiting)
- St. Lucia Ministry of Agriculture (awaiting), and
- CARICOM Secretariat

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.

This project will build on the work of the EDF10 that conducted Cost benefit analysis and impact of compliance and non-compliance with sanitary and phytosanitary requirements for CARIFORUM countries. This lays the foundation for all potential SPS investments that The Bahamas has available and this project will be able to take all the data that has been collected and provide a systematic and collaborative means of prioritizing investments. Furthermore, the project will build on the official SPS capacity evaluation tools, i.e. the IPPC's PCE Tool, the OIE's tool for the evaluation of Performance of Veterinary Services (PVS) and the new FAO/WHO tool to evaluation national food control systems. Where these official capacity evaluation tools have been used in the CARICOM region, their findings and recommendations will be used as a basis to inform and support the work to be carried out under this project.

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.

Several CAHFSA member States have committed to participating in the project proposal which would result from this PPG request. Based on the success of this PPG these nations member states will be contributing financially to a regional project proposal that will expand the application of the P-IMA tool to the wider Caribbean region. They include Jamaica, St. Vincent and The Grenadines, Guyana, and The Bahamas. It is expected that more member states will offer their support once the success

of the PPG is observed. CAHFSA has committed to contributing technical expertise to the project proposal as well.

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.

Proper investments in SPS measures are proven to have positive long-term development impacts, for cross cutting issues such as gender, the environment, good governance, educational institutions, ease of doing business, and consumer satisfaction.

The Environment

SPS investment helps protect the environment in areas linked to agricultural production. For example, SPS measures can prevent drinking water, farm soils or fish stocks from being contaminated by heavy metals and help protect biodiversity. They can also help to develop agricultural systems that are more resilient to climate change, minimizing the negative effects on food security. At the same time, building SPS capacity supports small-scale farmers and MSMEs to reduce costs associated with the use of chemicals, to increase their productivity, improve product quality and safety, and gain market access.

Gender

The use of P-IMA helps to highlight the impact of different SPS investments on women and other vulnerable groups linked to the AHFS of any country. The consultative process that this P-IMA project demands necessarily includes the voices of women as a wide consultation will be sought. This opens the pathway for women and youth to have their voices heard in platforms that affect prioritization in SPS investment that previously did not exist. It is expected that the in-country work and analysis would identify key value chains where SPS investments would be expected to benefit women in concrete ways.

Good Governance

The project will build the capacities of key public sector officials in the use and application of the P-IMA framework for prioritising SPS investments for market access in policy frameworks. Targeted sectors are agriculture, health, environment and trade. This translates to a better-informed public sector that can now govern based on scientific evidence and democratic principles.

Ease of Doing Business

Companies can trade with less barriers to trade if effective SPS investments are made, making SPS measures of great importance in terms of trade facilitation and the ease of doing business within the region.

II. IMPLEMENTATION & BUDGET

1. 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.

An STDF chosen international consultant would take the lead in the application of this tool and would train CAHFSA staff and national representatives to be able to re-apply this framework as a decision-support tool to guide BAHFA's and CAHFSA's work (and resource allocations) in the future. The project will be managed by a small and dedicated CAHFSA P-IMA Project Management Task Force (CPPMTF), made up of select CAHFSA staff and an international consultant.

This Project Management Task force will be responsible for oversight and management of the PPG on a day-to-day basis. This task force will rely on the STDF selected international consultant and select stakeholders to implement and coordinate specific activities in the region. The CPPMTF would

work closely with the international consultant, for instance in compiling the dossier of SPS information which would be used to inform the identification of possible SPS capacity building options, identifying relevant stakeholders to be consulted, organizing stakeholder meetings, etc.

This CAHFSA P-IMA Project Management Task Force (CPPMTF) will be responsible for oversight and management of the PPG, which includes:

- Coordination with The Bahamas so that stakeholders from other countries can attend their meetings;
- Receive, disburse and report on use of STDF funds;
- Organization of logistics related to PPG implementation;
- Hiring a P-IMA expert to work with stakeholders to develop a regional P-IMA project;
- Present a draft of the resulting project to stakeholders, collect feedback and finalize the project proposal;
- Identify donors and development partners relevant for the PPG stage; and
- Identify suitable co/funding options for the resulting project.

2. **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 for 10 officials to the Bahamas for CAHFSA members to support project development	STDF	US\$ 15,000
Accommodation and daily subsistence for 7 days in The Bahamas	STDF (calculated at US\$335)	US \$23,450
Miscellaneous experiences, including communication materials etc, related to regional consultation	STDF	US\$2,000
P-IMA expert (training on overview of framework, inputs on the draft resulting project, guidance for the roll out of P-IMA in the region)- 4 working days in the Bahamas and 4 days at home	STDF	US\$6,000
DSA for consultant (4 days in The Bahamas)	STDF	US\$1,340
Total STDF contribution		US\$ 47,790

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.