

SUMMARY REPORT OF THE STDF POLICY COMMITTEE MEETING

Tuesday, 10 January 2012
WTO, Geneva

Opening remarks

1. The Chair of the meeting, WTO Deputy Director-General Harsha V. Singh, welcomed participants and made brief introductory remarks, noting that the task for the Policy Committee was threefold: (i) to discuss and endorse the STDF's new five-year Medium Term Strategy for 2012 to 2016; (ii) to review and agree on the revised Operational Rules for the Facility; and (iii) to discuss the timing of the next external evaluation of the STDF.

Adoption of the agenda

2. The agenda (STDF/PC/Dec11/Draft agenda) was adopted without modifications. It was noted that FAO and WHO were unable to attend and had provided written comments, which were circulated to the participants at the meeting. The list of participants is provided in Annex 1.

New STDF Medium Term Strategy (2012-2016)

3. The Secretariat introduced the key elements of the proposed Medium Term Strategy (2012-2016), including the logical framework, which was circulated to the Policy Committee on 25 November 2011. It was noted that the new strategy built on the STDF's recently concluded strategy, recommendations of external evaluations of the Facility in 2005 and 2008, as well as extensive consultations with Working Group members and other stakeholders involved in SPS-related technical cooperation and capacity building. As such, the strategy should be seen as a product of balanced consensus.

4. The Secretariat drew attention to the newly defined vision and mission statements, the three strategic results, and the indicators and targets in the logical framework to monitor and evaluate progress and performance in achieving each of these results. It was also noted that in October 2011, the Working Group agreed in principle on a draft Work Plan for 2012, pending adoption of the new Medium Term Strategy. Finally, the Secretariat provided a brief overview of the current and projected financial status of the STDF Trust Fund for 2012 and beyond.

5. The Policy Committee agreed to several minor revisions to the Medium Term Strategy, based on comments provided during the meeting and in writing by FAO. Notably, there was agreement:

- To amend the second sentence of para. 1 in accordance with FAO's suggestion.
- To revise the first sentence of para. 12 to read, "*The STDF will further develop its role as a knowledge sharing platform*".
- To insert the words "*capacity evaluation and prioritization*" prior to the word "*tools*" in line five of para. 18, and to insert a footnote here drawing attention to the STDF publication (2011) which describes official capacity evaluation tools including the OIE PVS Tool and IPPC PCE Tool. The Policy Committee considered that it was important to leave this text open to encompass other relevant (existing and/or future) tools including the STDF Multi Criteria Decision Analysis (MCDA) Tool.
- To insert the following new text in para. 19, "*The STDF Secretariat will promote coordination with donors and with other SPS-related capacity building initiatives during PPG development*", as suggested by FAO.

- To insert the following text, "*More complete criteria are detailed in the Operational Rules*", following the bulleted list in para. 23, in response to comments provided by FAO. The Policy Committee considered it opportune to replicate the bulleted text on the types of projects funded by the Facility, as contained in the Operational Rules, in the Medium Term Strategy. The Secretariat noted that the bulleted text was discussed on several occasions in the Working Group.

6. The Policy Committee also considered some other additional comments and textual revisions proposed by FAO. Firstly, in the context of FAO's comment that the term "*STDF*" was used ambiguously (notably para. 15), the Policy Committee agreed on the importance of not unnecessarily restricting the text in para. 15. It was noted that while the STDF Secretariat normally participates in external events and liaises with other relevant partnerships, programmes and initiatives in other areas of development cooperation, partners and donors can also sometimes represent the Facility.

7. The Policy Committee discussed the meaning of "*technical SPS matters*" in response to comments from FAO "strongly advising" removal of the words "*as appropriate*" from the following sentence of para 17: "*On technical SPS issues, the Secretariat will involve and consult the indicated STDF partners according to the subject being addressed by the proposal, as appropriate*". While recognizing the importance of close collaboration with the partners, the Policy Committee agreed that the Secretariat has the capacity to decide where and when partners need to be consulted, and should be trusted and given flexibility on this matter. "Technical SPS issues" could include, for example, the use of MCDA where the Secretariat has competence. The Secretariat emphasized that it works very closely with partners on technical issues.

8. The Policy Committee agreed to adopt the new STDF Medium Term Strategy (2012-2016) with the inclusion of the amendments specified above. It was noted that this document could be revised, as needed, by the Policy Committee at any time.

Revision of the STDF Operational Rules

9. The Secretariat introduced the draft revised STDF Operational Rules (STDF 139 rev.3), which was circulated to the Policy Committee on 25 November 2011. The Secretariat noted that the development of a new strategy provided an opportunity to make the rules up-to-date, coherent and consistent, to codify existing practice, and to generally improve the flow of the document. Attention was drawn to the main revisions proposed to the Operational Rules, described in detail in the Annotated Agenda. While these revisions had been discussed by the Working Group, it was noted that some issues might require further discussion in the Policy Committee. The Chair requested participants wishing to propose any other revisions to the Operational Rules to raise these, and recalled FAO's written comments.

10. In response to concerns of FAO and WHO that the revised Operational Rules open membership of the Facility to NGOs and private sector, the WTO noted that the Facility operates according to WTO rules and procedures, which do not allow donations from NGOs or the private sector. The Policy Committee agreed to re-insert the words "*in the Working Group*" at the end of para. 5, in accordance with footnote four in the old Operational Rules, so that this para. reads as follows: "*The Policy Committee may decide to expand membership of the Facility to include other relevant organizations in the Working Group*". In the absence of FAO and WHO at this meeting, the Policy Committee agreed to postpone any discussion on donor membership of the Facility. The Chair noted that any comments provided during this meeting could inform any subsequent discussion.

11. The Policy Committee discussed and reached agreement on the following additional amendments to the revised Operational Rules:

- To clarify the role of partners in providing technical expertise and guidance in their respective areas in the implementation of the STDF biannual or annual work plans (para. 19, c) by inserting the words "*including projects*" at the end of this sentence. The Policy Committee discussed FAO's proposal to insert text on the provision of oversight services for STDF projects in para. 19. This was considered to be potentially confusing in view of the proposed elimination of supervisory arrangements for projects implemented by beneficiaries or other organizations, which had not functioned satisfactorily. The Secretariat highlighted the important role of partners in: (i) implementation of STDF-funded projects; and (ii) providing technical advice and guidance in situations where projects are implemented by other organizations. The revised Operational Rules explicitly recognize these important roles.
- To consistently replace the term "*developing country representatives*" with "*developing country experts*" throughout the Operational Rules based on FAO's comments. The Policy Committee agreed to expand the number of developing country experts from three to six, with a two-year term (instead of 18 months as per the previous rules) (para. 22-24).
- To increase the level of funding for PPGs to US\$50,000 and for projects to US\$1 million (para. 30).
- To modify the rules on PPGs (para. 41) so that they may be requested for three purposes (or a combination thereof): (i) application of SPS-related capacity evaluation and prioritization tools; (ii) preparation of feasibility studies that precede project development; and (iii) development of project proposals. In response to comments raised during the meeting and in writing by FAO, the Secretariat noted that in most instances PPGs will result in concrete project proposals. However, in cases where a PPG was used for a feasibility study which indicated that a project would not be viable, the development of a project proposal may not be pursued.
- To define the beneficiary's contribution to an STDF project as a percentage of the STDF's contribution to that project, rather than as a percentage of the total project value (para. 48-49). In this context, the Secretariat noted that since the beneficiary contribution for Upper Middle Income Countries (UMICs) was raised to at least 60% in 2008, no requests had been received from UMICs (other than as part of regional projects). The Policy Committee considered that the size of this beneficiary contribution may need to be re-considered in the future, if projects from UMICs are not forthcoming, in order not to miss opportunities to address relevant SPS constraints in these countries. It was agreed that this issue could be addressed as part of the next evaluation of the Facility.
- To delete the text classifying projects according to three "*STDF themes*" and to accept the proposed revisions providing clarification on the types of projects funded, eligibility criteria and information required as part of project applications (para. 55-74). The Policy Committee agreed to the Secretariat's proposal for new text that would clearly limit funds for equipment items (IT, laboratory and other minor equipment items) necessary for the successful implementation of projects to no more than 10% of the STDF contribution to a project (para. 58). The Operational Rules explained the types of equipment items that could be covered (para. 59), and the Guidance note for applications explained eligibility criteria and requirements for applications in detail. A logical framework is considered an essential part of project applications.
- To reduce the number of *ex post* evaluations to at least 50% of all completed projects and for these projects to be selected by the chairperson of the Working Group using the method of ordinary random selection (para 104). In addition, the Policy Committee agreed to insert the words "*unless the Working Group decides otherwise*" at the end of para. 104 to ensure

that the Working Group would have the flexibility to have particular projects (that are not selected randomly) evaluated, where considered desirable.

- Based on a proposal from Norway, the rules on timing of external evaluations of the Facility (para 108) were amended so that evaluations would take place "*at least every 5 years, normally to be completed one year before the end of the Medium Term Strategy*" rather than at least every four years.

12. In addition, the Policy Committee agreed to the following changes to the Operational Rules, as outlined in the Annotated Agenda, without comments:

- Removal of previous attachments to the Operational Rules. The Secretariat noted that application forms will be regularly updated for approval by the Working Group and published on the STDF website.
- Inclusion of an additional sentence in footnote 4 of para. 13 to clarify when consensus is reached in the Working Group.
- Revision to para. 15 to clarify the tasks of the chairperson of the Working Group.
- Extension of the implementation period for projects from two to three years (para 53).

13. The Policy Committee adopted the revised Operational Rules with the inclusion of the additional amendments specified above.

External evaluation of the STDF

14. Introducing this agenda item, the Secretariat noted that the next external evaluation of the Facility is scheduled for 2012 and that US\$100,000 is budgeted for this purpose in the proposed Work Plan for 2012. The Secretariat noted that the timing of the next evaluation is inopportune as the new strategy is only beginning in 2012 and an evaluation may be most useful half-way through implementation of this strategy. Norway proposed to postpone the next evaluation to 2014 or 2015.

15. The Policy Committee agreed to replace the external evaluation, scheduled for 2012, with a "lighter" mid-term review, which would be useful to assess progress in implementation of the new Strategy and review the Facility's funding and staffing levels. There was agreement that: (i) this "lighter" mid-term review would take place in 2013, with a more complete evaluation towards the end of 2015 to feed into the development of a new strategy, as appropriate; and (ii) the Working Group would discuss and agree on terms of reference and procedures for this evaluation, in line with the Operational Rules. It was noted that a mid-term review, assuming its conclusions are positive, may help to raise additional funds needed by the Facility to implement the new strategy.

16. In concluding the meeting, the Chair thanked the Policy Committee for its constructive input in discussing and agreeing on the new Medium Term Strategy for 2012-16 and revisions to the Operational Rules. The Chair noted that these documents could be further revised in the future, as needed, on the basis of further comments received and discussions among members.

Other Business

17. No additional information was shared under this agenda item.

The meeting was adjourned at 13.20.

ANNEX 1

STDF POLICY COMMITTEE
10 January 2012
Room A

List of Participants

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