

**STDF POLICY COMMITTEE MEETING  
SUMMARY REPORT**

THURSDAY, 23 JANUARY 2014  
WTO, GENEVA

**1 OPENING REMARKS**

1.1. The Chair of the meeting, WTO Deputy Director-General David Shark, welcomed participants and made brief introductory remarks, noting that the key task for the Policy Committee was to discuss, reflect and, where there is consensus, endorse recommendations of the STDF mid-term review (MTR).

**2 ADOPTION OF AGENDA**

2.1. The agenda was adopted with one amendment. A presentation by the STDF Secretariat on the financial situation of the trust fund was added to the agenda. The list of participants is provided in Annex 1.

**3 OPENING STATEMENTS BY POLICY COMMITTEE MEMBERS**

3.1. Dr Ren Wang (FAO) noted that the FAO is one of the founding partners of STDF and is committed to the original goals of the partnership. The FAO, through its STDF focal points in six technical divisions and units (and supported by its decentralized offices), supports the work of the technical STDF Working Group. The FAO dedicates a considerable amount of staff time to the STDF partnership and considers this a good investment as long as it remains dedicated to its original aims. Lastly, Dr Wang noted that there are other mechanisms for strategic planning and coordination among sister agencies, such as regular FAO, WHO and OIE tripartite meetings.

3.2. Mr Guilherme Antonio da Costa Junior (Brazil) highlighted STDF's relevance for developing countries and noted how the STDF has been successful in creating a unique environment for the coordination and development of SPS issues and projects in developing countries. He also noted that developing country experts have an important role in the STDF as they bring practicality and knowledge to the Facility.

3.3. Ms Christine Strossman (United States) expressed support for STDF's excellent work. She noted that a guiding question in the meeting's discussions should be what the unique role of the STDF is in SPS capacity building, and how the next steps will build or detract from this role. She welcomed the opportunity to discuss these issues. The STDF has evolved over the years, yet its evolution has been incremental. She hoped that the STDF stays committed to this incremental strategy.

3.4. Mr Hirotooshi Maehara (Japan) acknowledged the efforts and achievements of the STDF. Japan believes that implementing SPS standards is key for accessing markets. He appreciated the fact that STDF grants are provided to beneficiaries from a diverse array of geographical areas, including Eastern and Southern Asia.

3.5. Mr Kazuaki Miyagishima (WHO) noted that the STDF now exists for ten years and that it continues to play an important role in SPS capacity building and trade facilitation. More than 50% of STDF projects aim at improving food safety capabilities in developing countries and the WHO continues to harbour strong interest in this area. Regarding the funding mechanism, WHO wishes to see more emphasis on public health benefits in project proposals related to food safety. The STDF should provide incentives to applicants to address the overall impact of food safety standards on health, and not to focus narrowly on achieving compliance with a single standard for a single food commodity.

3.6. He also noted that the study commissioned by STDF in 2012, to identify spill-over effects of export-oriented SPS technical cooperation on domestic food safety, was cancelled in October 2013

because of lack of interest by donors. The WHO recommends that the Secretariat revive this project in 2014, given that as many as half of STDF projects cover food safety. The WHO has not been very active in the implementation of STDF projects due to resource constraints, however it will review the resources it can allocate to STDF activities and remains committed to playing a greater role in the future.

3.7. Dr Alex Thiermann (OIE) explained that one of STDF's main original objectives was to ensure more collaboration between the three sisters. Whether it is because of the STDF or not, collaboration between FAO, WHO and OIE, as well as the standard-setting bodies has improved significantly over the years. This inter-disciplinary collaboration should be strengthened at national level. Dr Thiermann noted that it is necessary to take stock of the activities of the STDF in order to ensure that this coordination role continues to be effective and efficient. He supported the review of the PPG and PG process, but as part of an entire review of the Operational Rules.

3.8. Mr Evan Rogerson (WTO) noted that the WTO is pleased with the overall evaluation of the STDF and that as a concrete example of Aid for Trade it has been providing good value for money in building SPS capacity. The WTO is particularly interested in new STDF work on the implementation of SPS measures in a trade facilitation context and he highlighted the conclusion of the new WTO Trade Facilitation Agreement in Bali in December 2013. The STDF is a global partnership and the WTO is grateful for the active participation of all STDF members and for the excellent work of the STDF Secretariat. He indicated that the STDF recently received several multi-annual contributions and viewed that this was an indication that STDF is on the right track.

3.9. Mr Philippe Jacques (European Commission) emphasized the importance of the private sector in the implementation of SPS measures and informed the Policy Committee that the Commission will publish a communication in 2014 on private sector engagement and private sector development.

3.10. Mr Brian Milton informed participants that he is employed by the World Bank as a consultant for the Global Food Safety Partnership (GFSP), a World Bank initiative in cooperation with other partners. He noted that GFSP had recently held its second annual conference in December 2013 in Singapore. He also confirmed the World Bank's interest in making a presentation to the STDF Working Group in March 2014, and in collaborating more closely with the STDF.

3.11. Dr Davinio Catbagan (Philippines) thanked the STDF for the opportunity to serve as a developing country expert for the last three years. He expressed appreciation for the positive outcome of the MTR and indicated his support for the recommendation to strengthen STDF's capacity and ensuring effective management of the facility.

#### **4 STDF FINANCIAL OVERVIEW**

4.1. Mr Melvin Spreij (STDF Secretary) presented an overview of STDF's financial status and outlook for the coming years. Total contributions received from donors since the inception of the STDF (in 2004) amounted to USD 38.5 million. In 2012, ten contributions were received totalling USD 4.8 million (i.e. close to the annual target level of funding of USD 5 million). In 2013, nine contributions were received amounting to USD3.8 million.

4.2. He mentioned that as of 31 December 2013 the STDF showed a negative balance of USD 570,000. However, he also noted that the immediate financial outlook for 2014 was relatively good, with multi-annual contribution agreements in place between WTO and Canada, Denmark, European Commission, Netherlands and Norway. Additional contributions, however, will be required to implement STDF's strategy and work plans in 2014 and beyond.

#### **5 MID-TERM REVIEW**

5.1. Mr Colm Halloran, the lead consultant from Saana Consulting made a comprehensive presentation on the main findings, conclusions and recommendations of the STDF MTR.

##### **General statements on the mid-term review**

5.2. The FAO expressed appreciation on the outcome of the MTR. It noted the recommendation to review the STDF Operational Rules to enhance efficiency in the procedures related to the processing of PPGs and PGs but suggested that the review of the Operational Rules should not be limited to this aspect. The FAO further noted that the Working Group was created as a technical

level representation of donors and partners and, while there may be scope to enhance its effectiveness and efficiency, the creation of a technical sub-Working Group was likely to require greater allocations of staff time and resources from the technical agencies. Making reference to the statements in the report regarding the difficult relationship between FAO/IPPC and the STDF Secretariat, the FAO disagreed to this statement and considered it not reflecting the reality of the working relationship. It noted that FAO and the IPPC have supported the work of the Secretariat, and provided the best technical and impartial advice possible on all matters related to the STDF. It also argued that open discussions and of divergent views on subject matters should not be treated as a "difficult relationship", but rather an essential part of the Working Group meetings. The FAO requested removal of these statements from the MTR.

5.3. The WHO endorsed the recommendation to enhance coordination between regional and global players. With respect to STDF's function as a funding mechanism, the WHO encourages more public health oriented initiatives. The creation of a technical sub-Working Group would bring very limited advantages while significantly leading to duplication. The idea behind STDF's inception was to encourage generation of ideas and projects. Hence, the recommendation to fund all PGs originating from PPGs is contrary to the original vision of establishing the STDF.

5.4. The OIE considered that membership of the Working Group has expanded significantly over the last ten years, notably including donors, and that a review of the entire Operational Rules would be appropriate (i.e. not limited to provisions relating to the PPG and PG approval process). The OIE also disagreed with the recommendation to fund all projects originating from PPGs. Even if the resulting project cannot be funded by the STDF, funding could be sought from other sources. The function of assisting in the preparation of PPGs is a unique service to developing countries by the STDF which should not be diminished.

5.5. The STDF Secretariat reminded participants that based on the discussions in the Policy Committee today, and the final MTR report, an action plan will be devised outlining how, by when and by whom the MTR recommendations, as appropriate, will be implemented. This plan will be further discussed in the Working Group during a special session on Friday morning 28 March 2014.

### Reflections on specific recommendations

#### ***Reviewing the Medium Term Strategy and strengthening the Results Based Management Framework to guide STDF's activities and become a useful tool for the Secretariat when managing the facility***

*The STDF should review its current strategy within a RBM framework in the context of preparing work plans for 2015 and 2016, beginning with a detailed problem identification exercise and developing clear intervention logic to frame the problems and respective solutions. High performing indicators should be set for results and be SMART, wherever possible. As the Secretariat currently lacks internal resources for this kind of input, the exercise should be carried out with the support of an external consultant through an inclusive process including WG members as well as the Secretariat. Careful consideration should be made to ensure that any revision exercise only produces tools that are practicable for the Secretariat and does not put any more constrain on them than already exists.*

*Activities should be identified and prioritized for inclusion in the work programs based on their contribution to the achievement of the targeted outcome and purpose and the resources available to the STDF. Clear objectives for these activities should be included in the annual work programs, as well as a roadmap to achieve these objectives (including detailed activities, milestones, and high performance indicators with baselines). It would be useful for the STDF to also delineate more clearly between core coordination and thematic activities.*

5.6. In introducing these recommendations, the Secretariat recognized that there may indeed be a need to strengthen the intervention logic and the indicators but also noted that it lacks the resources to implement this recommendation. Hiring an external consultant to assist in this process could be an option. The Secretariat also noted that identifying and outlining each and every activity in detail at the start of a five-year strategy may not always be possible for an evolving and flexible mechanism like STDF.

5.7. The United States supported strengthening the RBM framework, the need to focus on objectives, and to tie activities back to the objectives that are identified. The WHO also supported

this recommendation and hoped that once the RBM framework is strengthened, it would allow for more objective and consistent impact analysis of STDF's work. The developed indicators should be generic enough to have broader application and not be project-specific.

5.8. The WTO added that the STDF is a relatively small programme and given its limited resources, members have so far agreed on a few but targeted indicators. The WTO recognized that there was room for further improvement in this area, notably in terms of strengthening the intervention logic, and agreed to hire an external consultant, as recommended, to further improve the RBM framework.

5.9. The Chair concluded that there was broad support for these recommendations and mentioned that input that was received will be taken into account in the discussions in the next Working Group.

## **2. Increased and improved cooperation with regional and global players**

*Building on the lessons learned, the STDF should increase the focus on addressing SPS issues at the regional level and bolster ties with the relevant regional actors for coordination, project identification and implementation (e.g. IICA and OIRSA and regional AFT vehicles such as TradeMark East Africa as well as the regional development banks).*

*Coordination and cooperation with the Global Food Safety Partnership (GFSP) should be strengthened. Better collaboration would allow the STDF to identify best practice in project and program design, as well as harness synergies that strengthen impact and improve sustainability. The World Bank in its role as a founding Partner of the STDF should facilitate coordination with the GFSP to ensure complementarity and reduce for the risk of overlap. The STDF should liaise more closely with One Health initiatives to improve coordination and collaboration on food safety and public health issues and to improve design and sustainability of its own coordination activities.*

5.10. The World Bank expressed support for this recommendation and noted that GFSP participation in the next Working Group in March 2014 could help clarify how GFSP complements and builds on what has already been achieved by STDF and other organizations. This was welcomed by members.

5.11. The WTO welcomed the re-engagement of the World Bank, as a founding partner, in the STDF, including in relation to its GFSP programme where complementarity with the STDF should be ensured and the risks of overlap reduced. It would also welcome suggestions from the One Health agencies (FAO, WHO and OIE) on how the STDF could liaise more closely with One Health initiatives.

5.12. The Chair appreciated the presence of the World Bank at the Policy Committee and the Bank's indication of continued support to the STDF. The Chair noted that agreement on this sub-recommendation was clear and that there was broad consensus.

*The STDF should strengthen its voice in the global Aid for Trade initiative, including advocating for mainstreaming prioritization of SPS issue and related quality infrastructure as a pillar of the AFT initiative. Further cooperation with the EIF would be valuable in order to maintain and bolster the inclusion of SPS issues in DTIS reports and country strategies.*

5.13. The FAO noted that mobilizing funds from the Aid for Trade initiative is a key role of the STDF but noted the need to change the terminology used in the report referring to "related quality infrastructure" in the context of this recommendation. The inappropriateness of this terminology had been discussed in several Working Group meetings.

5.14. The Chair noted that there was broad consensus and took note of the proposed editorial change to the final report.

*The STDF should carry a survey of WG members and other relevant stakeholders to assess demand and or willingness to submit documents to the virtual library. Where there is a demand, the STDF should raise the profile of the library and ensure more systematic cooperation from key partners.*

5.15. The United States noted that the role of information sharing is crucial to the STDF. Since this role is reinforced by the Virtual Library, this entails exploration of why the Library is not considered to be successful and what kinds of adjustments need to be made to strengthen its usefulness.

5.16. The World Bank informed members that GFSP is developing an open platform for housing capacity building materials on food safety. The World Bank and the STDF Secretariat should reflect on ways to collaborate on this initiative.

5.17. Ms Nagat El Tayeb (Sudan) indicated that lack of advocacy seemed to be the main factor for the underutilization of the Virtual Library.

5.18. The Secretariat noted that a survey would indeed be useful, but reminded participants that the Library was only created a year ago, with full support of the Working Group. It was primarily developed as an internal file management tool for the Secretariat. However, it was also decided to make the documents available to the wider public as well. The Library is not meant to be comprehensive or inclusive and it does not aim to contain all SPS projects documents (as alleged in the MTR report).

5.19. The OIE recommended that a careful analysis of costs and human resources for such Virtual Library be undertaken before expanding. An expanded Library would be of limited use to stakeholders if it does not contain a robust search engine.

5.20. The Chair noted support for this recommendation and mentioned that useful input was received for its implementation by the Working Group.

### **3. Strengthening the STDF Secretariat's capacity and ensuring effective management of the facility**

*The Secretariat's human resources should be strengthened with the appointment of two additional full-time staff members to improve the monitoring of project implementation and to provide increased support to applicants for the preparation of PPGs.*

5.21. The European Commission agreed with this recommendation and indicated that it would also enhance the overall coordination function of the STDF. The OIE repeated that a more comprehensive review of the STDF Operational Rules should be considered as a first step, before any staffing increases are considered. The United States acknowledged the heavy workload of the Secretariat and stated that the recommendation needs further review looking at costs and duties of the Secretariat. Additional staff could be considered if necessary to maintain the current monitoring and coordination role, but not to expand the role related to increasing the funding of PGs based on PPGs. The FAO expressed agreement with the views expressed by the OIE and the United States.

5.22. The WTO stressed that the management responsibilities of the STDF were entrusted to the WTO and highlighted that it will seriously consider the possibility of increasing staffing levels, in line with WTO human resources policies and in the context of WTO's administrative needs.

5.23. The Chair noted that there seemed to be one yes and four "maybees" so this required further reflection and consideration in the next Working Group in March. The discussion should also consider the impact of an increase on STDF's budget for other activities, including funding of PPGs and projects.

5.24. The Secretariat reminded participants that the Policy Committee had given specific instructions to review the STDF staffing levels under the current MTR. The outcome of this assessment is that the staffing levels should be increased to address the current heavy workload.

If flagged that if this would not be possible, the STDF may have to start scaling back on its activities, including in the implementation of projects.

*The STDF should distinguish clearly between final independent and 'ex-post' evaluations or impact evaluations. Final evaluations should be carried out at the same rate as currently: 50 percent of completed projects selected at random. They should be carried out just before the projects are scheduled to complete. Ex-post or impact evaluations should be carried out on selected projects from 3-5 years after completion. The projects for impact evaluations shall be proposed by the STDF Secretariat and approved by the STDF WG. Ex-post evaluations shall cover up to 25 percent of the total projects completed.*

5.25. The WTO noted that a distinction between final and impact evaluations could be useful. However, more evaluations can only be carried out with additional staff. The Chair noted that the Working Group should discuss this recommendation.

*To strengthen efficiency and reduce potential turnover the WTO/STDF should issue staff contracts for up to five years where multi-year funding commitments from donors permit.*

5.26. The WTO supported this recommendation and elaborated that it would give serious consideration to providing longer staff contracts. The OIE emphasized that the WTO is best placed to react to this recommendation and that it is a WTO administrative matter to determine the duration of staff contracts. The WHO agreed and shared that UN organizations are placing stricter rules on long term commitments and that they are moving towards standardizing fixed-term contracts limited to two years.

5.27. The Chair explained that the new WTO Director General has instructed his management team to conduct a strategic review of WTO's management. This review includes the issue of non-permanent and non-regular contracts in the WTO.

*A Technical Sub-Working Group should be established to review PPGs and PGs on their technical merit before they are introduced to the WG. Only PPGs and PGs approved by the Technical Sub-Working Group should be submitted to the STDF WG for approval. The Partners should define their minimum technical criteria for approval of PPGs and advise the WG accordingly. The Secretariat should not make recommendations for approval of PPGs or PGs but shall simply advise the STDF WG whether the applications meet the administrative eligibility requirements for approval as a PPG or PG. The Operational Rules should be amended where necessary to facilitate these changes.*

5.28. The WTO noted that the STDF Secretariat does not review projects or make recommendations on their technical merits. Discussion in the Working Group on projects and PPGs is extremely useful and adds to the dialogue among different organizations. It is critical to the WTO that the Secretariat can continue making recommendations on project management issues, sustainability aspects, the project's market access components, budget and log frame, etc. That said, the WTO encourages relevant partners to submit their technical comments/recommendations on project/PPG applications to the Secretariat prior to the Working Group meetings, as this could enhance the discussion and decision-making process.

5.29. The United States suggested that the discussion should begin by looking at issues within the existing Working Group as opposed to setting up a separate structure. It also supported the role of the Secretariat in making recommendations as it greatly facilitates the work in the Working Group. The WHO noted that the issue raised by this recommendation could be addressed by increasing the number of the STDF staff, rather than adding another bureaucratic layer.

5.30. The European Commission supported WTO's position. Internally, delegations are consulted on the PGs and PPGs prior to the Working Group and comments are shared prior to the meetings. The FAO also supported the WTO, however suggested that the Operational Rules dealing with the approval of PPGs and PGs could be reviewed to make the process more efficient and discussions in the Working Group more focused. The OIE indicated that it was opposed to create such an additional bureaucratic layer, as a review of technical merits of proposals was the precise function of the Working Group.



5.31. The Chair concluded that Members agreed to not implement this recommendation and instead shift the focus on improving the functioning of the existing Working Group.

*To increase effectiveness within the WG and in the implementation of coordination activities, the FAO, IPPC and the STDF Secretariat should seek to resolve their differences and improve their working relationship.*

5.32. The WTO mentioned that it appreciated FAO's earlier remarks on this issue. The WTO sets a high premium on working closely and collaboratively with all members. Of course, there can be legitimate disagreements from time to time but all members are committed to working with maximum cooperation and openness. The OIE expressed concern regarding the wording of the recommendation on FAO/IPPC/STDF Secretariat collaboration, and suggested to remove at a minimum the wording "resolve their differences" from the sentence. While there should be no differences, there may be scope to work together more effectively in the Working Group.

5.33. The Chair mentioned that OIE's last point reflected what he had understood from FAO's and WTO's earlier interventions and concluded that the Working Group is best placed to discuss how it can improve its effectiveness.

*To increase the national and regional benefits of the PPG programme the STDF should introduce an explicit provision in the Operating Rules favoring PPG proposals that address harmonization of SPS policies in a national context between competent authorities or in a regional context between national authorities.*

5.34. Both the FAO and the World Bank welcomed this recommendation.

5.35. The Chair noted that the general comments received at the start of this agenda item supported this recommendation.

*The STDF should review whether its PG program should be expanded so that it would be in a position to fund all qualifying PG proposals that originate from PPGs. This review should include an assessment of whether donor funding could be increased and an assessment of what additional resources would be required by the Secretariat to manage an expanded PG programme.*

5.36. The European Commission viewed that it is not STDF's role to follow up on funding projects which result from PPGs. Other sources can be approached for funding projects that originate from PPGs. The WTO noted that the current selection process for projects works well. The recommendation to enlarge the STDF fund also deviates from STDF's intent to only fund specific types of projects. The United States expressed support for the comments.

5.37. The Chair concluded that this recommendation lacked support.

5.38. The Secretariat, finally, mentioned that it views that the current Operational Rules are flexible and practical, and reflect a consensus among members. The Rules have been revised on several occasions in the past. However, some further fine-tuning of the Rules in the areas suggested by the MTR recommendations could be useful.

## **6 OTHER BUSINESS**

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

6.2. The Chair thanked all the Members for their participation. The meeting was adjourned at 12.55.

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**ANNEX 1****LIST OF PARTICIPANTS**

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