

Standards and Trade
Development Facility

#### SUMMARY REPORT OF THE STDF WORKING GROUP MEETING 27 MARCH 2014 WTO, GENEVA

### **1 ADOPTION OF AGENDA**

1. The meeting was chaired by Mr Craig Fedchock, Coordinator of the International Plant Protection Convention (IPPC) Secretariat. The developing country expert from Papua New Guinea requested to share information on follow-up activities to the STDF work on International Trade and Alien Invasive Species under item 6 (Other Business). The Secretariat requested that two issues be added to the agenda: (i) organization of an STDF reception under agenda item 6 (Other Business); and (ii) information on a feasibility study (STDF/PPG/379) under item 4(c) (Overview of implementation of on-going PPGs). The agenda was then adopted.

2. A list of participants is provided in Annex 1.

### **2 OPERATION OF THE FACILITY**

#### (a) Selection of new developing country experts (2014-2015)

3. The Working Group welcomed three new developing country experts: Ms Stella Oraka from the Nigeria Plant Quarantine Service, Ms Carmela Castillo from the Panamanian Food Safety Authority and Mr Batsukh Zayat from the Mongolian Institute of Veterinary Medicine. Ms Martha Byanyima (Uganda), Ms Delilah Cabb (Belize) and Mr Sidney Suma (Papua New Guinea) continue their services for one additional year (2014). The Secretariat noted that Mr Zayat could unfortunately not be present at the meeting due to an emergency situation in his country (i.e. disease outbreak).

### (b) Selection of new vice-chairperson (2014) of the Working Group

4. Mr Philippe Verger from the WHO expressed interest and willingness to serve as the new vicechairperson for 2014 (and hence chairperson in 2015). Members agreed to his selection.

### (c) STDF mid-term review and Policy Committee meeting

5. The Secretariat informed members about the Policy Committee meeting on 23 January 2014, in which the recommendations of the draft Mid-Term Review (MTR) report were discussed. It was noted that as a result of these deliberations, Saana Consulting had modified some recommendations in the final MTR report, which was issued on 31 January 2014. Based on the discussions in the Policy Committee and the final MTR report, the Secretariat drafted an Action Plan for discussion by members on the next day (i.e. 28 March).

6. The Secretariat proposed to hold the next Policy Committee meeting tentatively on 17 or 18 December 2014. It reminded donors and developing country experts to agree on three representatives that would participate in the meeting and to inform the Secretariat within one month (i.e. by Friday 2 May 2014, taking into account the Easter break). Partners were requested to indicate their availability during the proposed dates and whether they would be willing to host the meeting.

# (d) Draft STDF 2013 Annual Report

7. The Secretariat summarized the contents of the draft 2013 Annual Report. In terms of funding, it highlighted that in 2013 donors contributed approximately US\$ 3.9 million to the Trust Fund, which was below the annual target level of US\$5 million. However, a new four-year contribution agreement with the Netherlands could only be signed in January 2014. Had the first contribution from The Netherlands been received in 2013, as originally planned, then STDF would have been

very close to meeting its target level. The Secretariat expressed its gratitude to the Netherlands for the new contribution agreement.

8. Sweden noted that it was pleased with the report and interested in the review of the resultsbased management (RBM) framework. Ireland was pleased to know that financial resources dedicated to supporting LDCs had been over 40% in 2013 and requested whether the exact percentage could be included. The WTO clarified that it continues to provide in-kind contributions to the STDF in the form of one full-time staff member (i.e. the Secretary of the STDF) as well as WTO facilities and services.

# (e) Financial situation

9. The Secretariat reported on the financial situation of the Facility and commented on the information and figures in the annotated agenda (STDF/WG/Mar14/Annotated agenda). For 2014, STDF is on its way to meeting its funding target, assuming that additional donations and pledges will be received in the coming months. The Netherlands considered STDF to be a practical mechanism to facilitate trade and enhance market access, and hoped that other countries would come forward with larger contributions. Sweden highlighted that it had recently extended the current multi-year contribution agreement with one additional year (2014), amounting to approximately CHF 600,000. The Secretariat thanked all donors for their contributions.

### **3 ENHANCED COLLABORATION IN SPS-RELATED TECHNICAL COOPERATION**

#### (a) Report and discussion on the STDF session on SPS and Trade Facilitation

10. On 26 March 2014, a thematic session on SPS and Trade Facilitation (TF) was organized for the Working Group, as well as SPS and TF delegates, on the margins of the SPS Committee meeting. The event was attended by approximately 200 people.

11. The Secretariat briefly introduced the STDF work, which aims to: (i) examine how SPS measures are applied in practice to imports and exports in light of relevant provisions of the SPS Agreement (in particular Article 8 and Annex C on Control, Inspection and Approval Procedures); and (ii) identify transaction costs/delays that could be reduced/avoided without compromising SPS objectives. In this regard, the consultants were requested to analyse the implementation of SPS controls through the lens of trade facilitation, identify good (and less good) practices, and come up with recommendations to reduce transaction costs linked to SPS measures. The Secretariat reminded members that the STDF work does not look into the newly adopted WTO TF Agreement as such, though this agreement will generate new Aid for Trade resources to enhance SPS border management capacity.

12. The United States requested further clarification on the links to the recently concluded TF Agreement. The relationship between the TF and SPS Agreements is not fully defined and the United States queried whether the STDF should have a role in this regard.

13. Norway thanked the STDF for organizing this event and noted the high interest among participants in this topic. It should be followed up with other activities.

14. The Netherlands was pleased with this practical research because it provided insight into the inefficiencies of the actual implementation of SPS measures. The results of the research on the ground may not always be convenient to all members but it is nonetheless very useful. Members would be able to analyse the actual linkages between the SPS and TF Agreements once there is more clarity about the final TF agreement, its entry into force, and the work programme for its implementation.

15. The EC regretted that the reports are not yet available for analysis and promised to provide further comments once the reports are published.

16. Ms Juliana Almeida (IDB) noted that the main purpose of the Latin American report was to assess the programmes, infrastructure and personnel of quarantine facilities and to determine what is needed to help them function better. This was the first research of its kind in the region. The IDB is interested in this research because the bulk of trade facilitation support is targeted at

customs reform and little support is allocated to quarantine authorities. Irrespective of legal questions regarding the WTO Agreements, the main point should be to increase support to quarantine services at the border. She suggested that the IDB report (available in Spanish) be circulated to STDF members.

17. Mr Rob Black (STDF consultant for Africa) explained that his team did rigorous qualitative research in which the starting point was the SPS Agreement. However, the research also looked at trade flows and coordinated border management. The research looked at the question of clearance of low and medium risk products and the need to integrate data between the SPS authorities and customs. The research team interviewed both traders and officials. Interestingly, at the validation workshops, none of the officials questioned the results of the traders and generally agreed with the traders' perceptions and accepted that there were problems.

18. Mr Kees van der Meer (STDF consultant for Asia) noted that the methodology of the work in Asia was fully based on the STDF background note. The research focused on trade flows but particularly the SPS aspects. He further clarified that in all countries the results were presented at stakeholder meetings of private sector and public sector. Governments were given multiple opportunities to comment on the findings but in most instances did not provide any comments that were substantial. This does not necessarily mean that the governments are always happy with the outcomes of the work but they know that issues at the border exist. What actually occurs at the border is often quite different from what is stipulated in high-level regulations. For the Asian study, the sole focus was on the trade facilitation principles and provisions of the SPS Agreement. The new TF Agreement was concluded in Bali in December 2013 after all the fieldwork was done.

19. Mr Michael Roberts (WTO Aid-for-Trade Coordinator) noted that a lot of work on trade facilitation contains SPS elements. The question is whether SPS authorities are involved in this work. The WTO and the OECD have put together a background paper looking at the amount of assistance in the area of trade facilitation. Official assistance for trade facilitation given by bilateral and multilateral donors has been in the order of US\$ 2.5 billion since 2006. If one takes a closer look at a project code level, there are SPS elements in many of these projects. Work in this area by the STDF speaks to its function of coordination and information sharing which should be distinguished from legal aspects of the relationship between the two WTO Agreements. Finally, he considered that STDF's work should be viewed in the context of the MTR recommendation to work more closely with the Aid-for-Trade initiative.

20. Sweden suggested that it might be valuable to compile, identify, clarify and communicate standards and recommendations of the three sisters that directly relate to border measures. This would be a way to highlight best practice in the application of SPS measures at the border that facilitate trade. The FAO, Finland and the developing country expert from Uganda supported this recommendation.

21. The developing country expert from Nigeria expressed satisfaction with the work and noted that the idea of involving the quarantine services in trade facilitation discussions was unique. Nigeria for instance also faces the problem of not having adequate equipment at the border for operation and inspection.

22. The FAO noted that it was concerned with the lack of an established process for the way forward. It had received a draft of the Asia report, which had been analyzed by eight FAO staff members, including a legal expert. It viewed that some basic and technical content in the report needs adjustment before it can be published. The FAO also had concerns over the methodology, as well as the conclusions and recommendations. It agreed with Sweden's suggestion to generate more knowledge on the products of the three sisters that are related to border control, including capacity development material. The IPPC added that it organizes numerous capacity building activities throughout the year and that the lack of border management capacity should be considered when looking at trade-impeding measures.

23. The FAO proposed that from now on STDF members should have the opportunity to make comments and final decisions on the conclusions of the reports before agreeing on any further actions.

24. Norway clarified that this research was conducted by independent consultants and questioned FAO's reasoning to make final decisions on the conclusions of the report, only because FAO

disagreed with them. The FAO clarified that the terms of reference of the consultancy were decided by the Working Group and that adjustments need to be made to the technical content of the report. This should not be interpreted as interference in the findings of the report - but rather as due control on the outputs of this work as contracted.

25. Finland did not agree with FAO's position and thought this should not be the Working Group's task. The Netherlands endorsed Finland's intervention.

26. Finland continued by stating that the reports highlight trade impeding measures that have been known for years. Some of these arguments were the reason why WTO Members created the SPS Agreement in the first place. The STDF research reinforces that these issues continue to exist nearly 20 years after the adoption of the Agreement. It proposed to develop a catalogue of trade-impeding SPS measures, practices and procedures based on the STDF research carried out in the three regions. Resonating agreement with Sweden's suggestion, Finland expressed that this work could be taken further/supplemented by developing a list and guidelines on standards, manuals, and best practices developed by the three sisters and other international organizations. This would generate better analysis on how to proceed with this work.

27. The ITC noted that if this catalogue would be produced, ITC's programme on NTMs, in which surveys have been conducted in more than 23 countries, could be shared in order to complement this work.

28. The developing country expert from Belize noted that in terms of capacity building and technical assistance, the SPS area rarely receives support for implementing online systems. The IDB project to establish the Belize Agriculture Health Authority (BAHA) originally had a component to ensure that an online system be established but when implementation began, that component was taken out. In 2013, BAHA was incorporated into a project to link to the online customs system in Belize. Unfortunately, BAHA was given low priority and thus will be among the last agencies where work will begin. The expert considered this STDF activity very relevant and suggested that donors revisit their criteria for funding trade facilitation projects.

29. The developing country expert from Uganda noted that the STDF work connects SPS needs to the realities on the ground. Prior to this, very little attention was paid to integrating SPS needs in transport corridors and border infrastructure. The work in Africa would be an opportunity to mobilize resources under the COMESA Aid-for-Trade strategy in order to enhance implementation of international standards. The STDF work provided much-needed evidence to continue making the case for investments in SPS capacity. She suggested that findings be further refined to make them as concrete, practical and economically feasible as possible.

30. The developing country expert from Papua New Guinea suggested that future SPS/TF work should also focus on small island states in terms of market access.

31. The WTO noted that partners had already been given the opportunity to make comments on the Asia study but suggested that an additional opportunity could be granted to provide specific and technical comments and clarifications where needed. It would be useful to complete the studies as soon as possible in order to start considering further follow-up work.

32. The Secretariat concluded that this is clearly a topic of widespread interest. Many delegates appreciated the fact that STDF has put this topic on the agenda. The work fits with STDF's role as a platform for information sharing, discussing new ideas and innovative approaches, identifying good practice and mobilizing additional Aid for Trade resources to build SPS capacity.

33. The Working Group agreed to provide an additional opportunity to partners to provide detailed technical comments on the studies within one month after their circulation to the partners. The final draft Asia report would be circulated shortly. The Africa report is expected to be ready by the end of April. In finalizing their reports, the consultants will take into account the technical comments provided by STDF partners as well as the discussions that have taken place over the last two days, where appropriate. The reports will be finalized by mid-2014 and members will be informed when the final reports are made available on the STDF website. The topic of SPS and Trade Facilitation will be an agenda item at the next Working Group in October 2014. Members will then have the opportunity to further discuss the final reports, a proposed draft two-page STDF

briefing note on the topic (to be prepared by the Secretariat), and to consider and decide on possible follow-up activities by STDF.

### (b) Finalization of MCDA tool to prioritize SPS investment options for market access

34. The Secretariat noted that work on finalizing the MCDA-based tool would take place in the second part of 2014. The Working Group would be briefed in October 2014 on progress in this regard.

# (c) Information dissemination

### (i) Update on new STDF website

35. The Secretariat informed members that the development of the website had recently experienced some delays and would not be launched at this Working Group meeting as originally planned. The WTO's IT department decided to switch the hosting server of the website to a company that specializes in Drupal websites. Hence, configuring these new servers has taken more time than expected. Additional time is also required to translate content into all three languages (English, French and Spanish) before officially launching the site. The new site is currently expected to be presented on the margins of the next SPS Committee meeting in July, and in the next STDF Working Group meeting in October.

# (ii) Secretariat participation in external events

36. The Secretariat briefly informed the Working Group on its participation in external meetings and events, since the last Working Group meeting in October 2013, and referred to the list of events available in the annotated agenda (STDF/WG/Mar14/Annotated agenda).

# (iii) Joint EIF/STDF analysis on SPS issues in DTIS studies

37. The Secretariat referred to the background note on the proposed joint EIF/STDF study that was circulated to STDF members. The document outlines the background, the objective, the estimated budget and the proposed time-frame of the study. This work aims to analyse the coverage of SPS issues in Diagnostic Trade Integration Studies (DTIS) and identify good practice for future studies and their implementation. The study will primarily focus on least-developed countries where agriculture and fisheries have been identified as having major export potential. The study is in line with STDF's mandate to enhance awareness in developing countries about the importance of SPS compliance and the need for additional investments in this area. It also implements one of the MTR recommendations, i.e. to continue collaboration with the EIF to maintain and bolster the inclusion of SPS issues in DTIS reports and country strategies.

38. It was proposed that a consultant be hired to visit three LDCs (to be selected), one in Asia, one in French-speaking Africa and one in English-speaking Africa. The aim would be to have the study completed by the time of the next Working Group meeting in October 2014.

39. The OIE sought clarification on where in the 2014 work plan this activity had been placed. The Secretariat clarified that this is a new activity proposed by the Secretariat and hence requires Working Group approval.

40. The EC informed the Working Group that its initial concerns whether this work was within the mandate of the STDF had been allayed by the Secretariat's presentation. The IPPC supported this cost-effective initiative. It was aware of cases where National Plant Protection Organizations (NPPOs) were not consulted on the DTIS implementation and validation. The IPPC offered to forward the contact details of the relevant NPPOs for this work and added that the consultant could also provide suggestions on how to improve access to EIF funds.

41. The WTO also supported this work. The Working Group approved the joint EIF/STDF study.

#### (iv) Dissemination of experiences and good practices

# - Presentation by the World Bank on the Global Food Safety Partnership (GFSP)

42. Ms Valentina Paskalova from the International Finance Corporation (IFC) presented the work of the Global Food Safety Partnership (GFSP) on behalf of the World Bank. The GFSP was formally established in December 2012 with a 5-year work plan. The cooperation model will be refined as needed over the course of its implementation. The partnership combines public and private resources and is structured into four advisory working groups, a leadership group (to be established), a donor advisory council and a Secretariat hosted at the World Bank. GFSP activities are reviewed and approved by the Secretariat, in conjunction with the working groups, and fall into three pillars: (i) Training Program; (ii) Global Scaling up; and (iii) Program Facilitation. Some of GFSP's ongoing activities were presented: (i) HACCP trainings delivered in China, Malaysia and Vietnam; (ii) a company-level Food Safety Toolkit, to be used in Belarus, Cambodia, Georgia and Ukraine; and (iii) a recently developed Regulatory Reform Food Safety Toolkit. A separate presentation on these toolkits could be delivered at the next Working Group meeting in October 2014.

43. The following suggestions to strengthen complementarities with the STDF and other food safety initiatives were provided: (i) examine opportunities to combine the STDF PPG approach with a systemic approach at the country/industry level; (ii) consider broader SPS capacity building needs at country level; (iii) examine possibilities to blend specific project support with larger food safety initiatives/investments; (iv) consider how resources can be incorporated into a broad food safety systemic framework taking a PPP approach; and (v) work together on the development of needs assessment tools that focus on value chains and the private sector. The presentation can be viewed at: <a href="http://www.standardsfacility.org/Files/DocsWG/WB">http://www.standardsfacility.org/Files/DocsWG/WB</a> Presentation Mar-14.pdf.

44. In response to questions/comments from the Working Group, the World Bank indicated that in order to ensure ownership, GFSP activities are agreed by consensus with feedback from beneficiaries and advice from the working groups. The focus of GFSP activities is not standards development but implementation procedures at a practical level (private sector companies) as well as sharing existent training materials rather than developing new ones. The need for collaboration and coordination with STDF in the food safety area was highlighted by several members, as well as the importance to preserve a balance within the initiative in order to avoid conflicts of interest between its partners. Trade facilitation does not constitute a primary focus of GFSP but the importance to promote trade in order to contribute to high level objectives such as poverty reduction and development was recognized. GFSP has no intention to be active in fields other than food safety, but its desire to coordinate with FAO and other specialized agencies in other SPS aspects was stressed.

45. Close to US\$2 million has been allocated so far to specific GFSP activities. A database of food safety experts as well as training materials and other resources is under development and aims to enhance national, regional and global capacity to understand and implement food safety requirements. Consideration will be given to develop material only where gaps are identified. Consultancy guidance is available to small companies to support the application of the company-level food safety toolkit, but the process is still in a pilot phase. GFSP regional activities are less developed but dialogue with regional stakeholders will be initiated in the near future to strengthen this important component.

46. Finally, the Word Bank invited the STDF to become part of the – soon to be established - leadership group which will be composed of high level representatives from the public and private sectors.

# - Joint presentation by IDB-UNIDO on their SPS capacity building work + overview of recent UNIDO reports

47. Mr Steffen Kaeser from the United Nations Industrial Development Organization (UNIDO) and Ms Juliana Almeida from the Inter-American Development Bank (IDB) presented their joint work on Trade Standards Compliance (TSC), composed of three lenses: (i) Import Rejection Analysis; (ii) Corporate Buyer Compliance Confidence Survey; and (iii) Trade Standards Compliance Capacity Indices. Import rejection data is available from four export markets: European Union, United States, Japan and Australia, and constitutes a good indicator of compliance challenges faced by agri-food exporters to international markets. The analysis of the data available allowed to determine that while some countries have high rejection rates in all markets for most of the exported commodities, which suggest systemic deficiencies and a need to strengthen their overall Quality Infrastructure (QI), other countries face substantial rejections in particular markets or commodities, suggesting the need for an examination of specific value chains and/or the introduction of specific food safety controls. Import rejection data could be disaggregated in terms of groups of products or looked from an exporting country perspective in order to identify export market challenges. The results of these analyses are available through country fact sheets (Trade Standards Compliance Footprints - TSCFs) at: <a href="http://unido.org/tscfootprints/">http://unido.org/tscfootprints/</a>.

48. The Corporate Buyer Compliance Confidence Survey aims to get the perceptions of importing companies on the compliance capacity and performance of exporters. Food safety compliance challenges are positioned at the top of other factors influencing export performance such as political stability, economic conditions or prices. The Trade Standards Compliance Capacity Indices (TSCCI) constitute country self-assessments of capacity/performance of its Quality Infrastructure (QI) and related services (10 key capacity areas), and allow to benchmark a country against other countries. This work done at a global level is intended to be replicated at a regional level with support from regional partners. A regional TSC Report for East Asia was published in 2013 with support from IDE-JETRO. This same type of work will be conducted in other regions with support from IDB and the African Union Commission.

49. The online IDB/UNIDO export rejections database for Latin America and the Caribbean was also presented. A powerful search tool allows users to search by country of origin, country of destination (official rejection data from Australia, the EU and the US is available) and product. Official information provided by the importing country on the main causes of rejections is also available. Indicators can be calculated and basic statistical figures are available in the system. The main beneficiaries of the database are the exporter countries and donors who can focus their assistance in particular products or compliance issues. Through the partnership with UNIDO, the database will be expanded with information from other importing countries (developed and developing countries) and further analysis will be conducted. The presentation can be viewed at: <a href="http://www.standardsfacility.org/Files/DocsWG/UNIDO IDB Presentation Mar-14.pdf">http://www.standardsfacility.org/Files/DocsWG/UNIDO IDB Presentation Mar-14.pdf</a>.

50. In response to questions from the Working Group, UNIDO and IDB indicated that the data available correspond to official information on rejections related to official regulatory standards only and not to quality-related rejections by purchasers (private standards). Only overall information on rejections is available and distinction cannot be made between products that after being rejected could be reintroduced to the market or not. Labelling issues can be easily detected but also easily addressed. However, in this category, SPS and TBT requirements are sometimes difficult to dissociate. The main purpose of the database is to share this available information with the general public and provide a user-friendly tool to government authorities and private sector operators rather than inform exporters suffering from these rejections, who might have been informed officially in due time. The official data available might not be sufficiently detailed to allow more in-depth analyses of specific rejections causes.

### - Overview of relevant SPS activities and initiatives of other organizations

51. The Secretariat briefly introduced other information received from Working Group participants on their on-going and planned SPS-related capacity building activities. The following information was presented under this agenda item: (i) a GFSP Concept Note on Pathways to Improved Global Mycotoxin Management; (ii) the FAO Mycotoxin Sampling Tool; (iii) the UNCTAD Programme on Non-Tariff Measures in World Trade; (iv) an overview of CABI's SPS-related activities and initiatives; and (v) information on SPS-related recent and forthcoming assistance and other activities from ITC. The presentation from the Secretariat as well as all the documentation received in advance of the meeting can be viewed at: http://www.standardsfacility.org/Files/DocsWG/STDF ExchangeInformation Mar-14.

# **4 IMPROVED CAPACITY OF BENEFICIARIES TO IDENTIFY NEEDS AND FORMULATE PROJECTS**

### (a) Presentation of project and PPG applications not accepted for consideration

52. The Secretariat gave a brief overview of the PG and PPG applications that were not tabled for consideration by the Working Group. These applications and the reasons for not tabling them were listed in Tables 2 and 3 in document STDF/WG/Mar14/Review.

53. In response to a question from the OIE, the Secretariat clarified that, in the case of STDF/PPG/477 – Ethiopia, the use of the MCDA tool to prioritize capacity building needs should not be seen as a precondition to table a PPG for consideration by the Working Group.

# (b) Discussion of PPG applications

# STDF/PPG/431 - Establishment of quality systems to address mycotoxin contamination of agri-food commodities and resulting international trade barriers in Pakistan

54. The WHO noted the relevance and the regional dimension of the problem and commented on the importance of expanding the coverage of the diagnostic study to examine the issue from a broader perspective. The FAO noted that some clarifications were needed in the PPG application document and highlighted the lack of support from the national food safety authorities and the lack of a time-frame for the completion of the activities.

55. The Working Group approved this PPG request subject to: (i) a revision of the scope of the proposed desk study to include a broader diagnostic of the problem of aflatoxin contamination in agro-food products, including chillies; and (ii) the inclusion of a detailed time-frame for the completion of PPG activities.

# STDF/PPG/457 – Development of information resource on veterinary drug residues to support trade in safe products of animal origin

56. The US requested the Working Group to be granted additional time in order to review the proposal and subsequently provide some constructive input from agencies other than the US National Institute of Food and Agriculture (NIFA). The developing country expert from Panama noted that the existence of this type of database would be very much appreciated by her country in relation to meat exports.

57. The FAO mentioned that its Food Safety Unit and the Codex Secretariat had been involved in the review and that FAO was satisfied with proposed changes presented in a supplementary note. The WHO noted that the JECFA Secretariat was also consulted and agreed to link the risk assessment and CABI databases.

58. The Secretariat further explained the background of this PPG and requested the Working Group to consider an exception to the Operational Rules and fund up to US\$76,660 for this PPG (instead of the "normally up to" US\$50,000 limit, see para. 40 of Operational Rules). The additional budget would fund – inter alia - the participation of several STDF partners in the stakeholder workshop. Canada requested whether partners could fund their own participation in the stakeholder workshop, thus reducing the funding that is requested from the STDF.

59. The Working Group agreed to conditionally approve this PPG on an "ad referendum" basis, under which members will have 30 days to present objections, if any. If no objections are provided within this 30-day period, then the PPG would be considered approved. The Working Group also agreed exceptionally to provide funding up to US\$76,660 for implementation of this PPG. During the aforementioned 30-day period, the Secretariat would consult with partners whether they would be in a position to fund their own travel to the stakeholder workshop for this PPG and would then share this information with the Working Group.

# STDF/PPG/481 – Strengthening the Phytosanitary Capacity of the Horticulture Sector in Zambia

60. The IPPC considered that the documents submitted to support the request were not appropriate and suggested that the country applies, as a first step, the updated version of the Phytosanitary Capacity Evaluation (PCE) tool in order to determine current capacity building needs and develop an action plan to strengthen the NPPO's capacity to implement international phytosanitary standards.

61. The Working Group did not approve this PPG application. Members recognized the relevance of the request in assisting the country to address specific market access problems but also noted that additional details in some sections of the application document were needed, such as complementarity to other initiatives, implementation modalities and budget.

62. More generally, the representative from IICA suggested that members in their deliberations pay more attention to what countries are asking for or have identified as needs, instead of suggesting more evaluations or assessments.

### (c) Overview of implementation of on-going PPGs

63. The Secretariat referred to document STDF/WG/Mar14/Overview, which provides an overview of the implementation status of all on-going PPGs. Relevant PPG documents (reports, etc.) can be accessed on the STDF website.

64. Members approved an extension to the contracting period to allow the Secretariat to finalize contracting arrangements for STDF/PPG/428 (Trade and Improved Livelihoods in Aquatic Production in Africa) and STDF/PPG/435 (Strengthening SPS compliance of sesame production in Sudan) before the next Working Group meeting in October 2014.

65. The Secretariat noted that a feasibility study developed under STDF/PPG/379 (Promoting the effective participation of SADC member states in the WTO SPS Committee) was made available to members on the STDF restricted website for information purposes. The report contains interesting conclusions and proposes an innovative two-part approach consisting of requesting a country to achieve a certain threshold level of institutional capacity before receiving support to attend WTO SPS Committee meetings. The IPPC suggested organizing a dedicated session to further discuss the conclusions and recommendation of this report in the next Working Group.

### **5 IMPROVED CAPACITY OF BENEFICIARIES OF STDF PROJECTS**

### (a) Discussion of project applications

### STDF/PG/346 – Breaking barriers, facilitating trade in COMESA member states

66. The Working Group approved this project subject to an editorial review of the document, in particular in relation to legal issues. The FAO clarified that the written comments it had submitted on this project mainly constituted editorial changes which could be incorporated after a careful review of the text.

67. The developing country expert from Uganda thanked partners, donors and the Secretariat for their support to this initiative. She noted that the process had been highly consultative to ensure complete buy-in from high levels of government and industry. In reply to a query from the EC, she assured that the project would be in complete synergy with the AfDB Tripartite initiative and other EC-funded programmes.

# STDF/PG/460 – Implementation of ISPM 15: an empirical analysis of how the regulation affects the economic growth of a group of countries in Africa

68. Members noted that the revised application addressed most of the concerns raised in October 2013 and recommended that during the fieldwork, the consultants should contact EU delegations in the countries involved to seek further clarification on and address their comments regarding the econometric model to be developed through the project.

69. The Working Group approved the project subject to a revision of the project document, prior to contracting, in order to introduce modifications as suggested by the Secretariat in its review. These include: (i) a major revision of the project's logical framework to improve the intervention logic and the relevance of some indicators; and (ii) a slight revision of the budget to re-cost the in-kind contributions and re-arrange the budget line concerning the management fee.

# STDF/PG/355 – Prevention and Control Capacity Building on Aflatoxin Contamination of China Peanut

70. Members recognized the seriousness of the problem (i.e. aflatoxins) that is affecting the exports of peanuts from China and supported the proposed methodology, which includes - as a first step - an assessment of the current situation related to aflatoxin contamination in the two provinces concerned, which would lead to the identification of most suitable curing control technologies, technical training and awareness raising campaigns and the establishment of an aflatoxin control management system. However, members also viewed that the project document continued to require a considerable amount of work to improve its readability and clarity, in particular in areas such as project management structure, budget, logical framework, and complementarities with past and current initiatives.

71. The Working Group agreed not to approve this project but instead to offer the China National Standardization Administration Institute a project preparation grant (PPG) up to US\$50,000 to: (i) conduct the first stage of the work (i.e. analysis of the constraints and opportunities concerning aflatoxin contamination in the two provinces concerned); (ii) develop a project proposal based on the results of the research; and (iii) explore opportunities to collaborate with potential donors, in particular the World Bank, to finance and implement the resultant project.

72. The WHO mentioned that it was willing to contribute to the development of the PPG and the World Bank indicated that the message of the importance to coordinate and ensure complementarities with the operations of the Bank in China will be conveyed to relevant staff at World Bank.

### (b) Decisions on financing and prioritization

73. No decision on prioritization was required.

### (c) Overview of implementation of on-going projects

74. The Secretariat introduced document STDF/WG/Mar14/Overview, which provides an overview of the implementation status of all on-going projects. The Working Group approved a six-month no cost extension to implement project STDF/PG/336 (Enhancing the control of transboundary animal diseases in Cameroon) and a one-year extension at no additional cost to implement project STDF/PG/343 (Competency development scheme for the cinnamon sector in Sri Lanka).

75. The Secretariat informed the Working Group that a six-month no cost extension had been granted to complete project STDF/PG/302 (Support to the cabbage sector in the Niayes region of Senegal) activities, which had to be given prior to the Working Group meeting. A discussion on whether the Secretariat could in the future approve no-cost extensions up to one year for ongoing projects (without consulting the Working Group) was postponed to a future meeting.

### (d) Selection of projects for external evaluations

76. The Working Group agreed to decide on the evaluation of new projects (i.e. those completed in 2013) at the next meeting in October 2014.

# **6 OTHER BUSINESS<sup>1</sup>**

77. The developing country expert from Papua New Guinea recommended that the STDF Secretariat participate in a capacity-building activity for Small Islands Developing States to achieve the Aichi Biodiversity Target 9 on Invasive Alien Species to be held in Montreal on 14-15 June 2014.

78. The Secretariat proposed to hold a reception to celebrate the 10th anniversary of the STDF and to highlight the STDF as a successful mechanism for coordination and project development /implementation in the SPS area. This reception could be held on the margins of the WTO SPS Committee meeting in October 2014 and would also be an opportunity to give more visibility to the STDF. The cost for this reception would be approximately USD 10,000.

79. The Working Group unanimously supported this proposal, requested the Secretariat to coordinate internally with the WTO on the most suitable date for the event (i.e. October 2014 or March 2015) and to inform the Working Group accordingly.

80. The meeting was closed at 18:20

<sup>&</sup>lt;sup>1</sup> Due to extenuating circumstances, the representative of Norway provided comments relevant for a topic to be discussed in the meeting of the Working Group on 28 March 2014. As these were specific to a topic discussed in that meeting, they are reflected in the summary report of the 28 March meeting. Should the reader wish to review this specific comment, please contact the STDF Secretariat for additional information.



STDF/WG/Mar14/Summary Report

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<sup>&</sup>lt;sup>1</sup> Chinese Taipei is a WTO Member in application of Article XII of the Marrakesh Agreement (1994). WTO membership has no implication regarding the sovereignty of the Member pursuant to international law

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