

## **SUMMARY REPORT OF THE STDF WORKING GROUP MEETING**

**25-26 June 2009**

**WTO Headquarters, Geneva**

### **Adoption of Agenda**

1. Mr. Clem Boonekamp, Director of the Agriculture and Commodities Division of the WTO, informed the STDF Working Group on progress made in the selection of the STDF Secretary. It was hoped that the WTO Director-General would award the position to the successful candidate before the end of July 2009.
2. The Secretariat introduced a new staff member, Ms Farah Farooq, who would be replacing Mrs. Kenza Le Mentec during the latter's maternity leave. The Secretariat welcomed Australia and Japan as new members of the Facility, and also welcomed the representatives of Brazil and Chile as well as Mrs. Miriam Chavez (the new Chair of the SPS Committee) as observers to the Working Group. The STDF's new numbering system, which differentiates between documents pertaining to STDF meetings, coordination and funding activities, had been introduced following the external evaluation. The STDF Secretariat was also harmonizing its tables on projects and PPGs to bring them in line with reporting methods used by WTO's Budget and Finance Division.
3. The agenda was adopted with two amendments. The Secretariat requested the addition of two projects (STDF 56 and 127) under agenda item 8. Under other business, the Secretariat pointed to the need to agree on a different set of dates for the next meeting of the STDF Working Group and Policy Committee as the previously agreed dates of 2-3 December clashed with the WTO Ministerial Conference. A list of participants is provided in **Annex 1**.

### **Election of Vice-Chair**

4. The Working Group elected the Netherlands as the new STDF vice-Chair.

### **Overview of Operation of the Facility (STDF/WG/Jun09/Annotated Agenda) and G/SPS/GEN/939)**

#### ***Planned seminars and workshops***

##### World Bank/STDF workshop on SPS risks and climate change (STDF/Coord/292)

5. The Secretariat outlined the main components of the background paper on the World Bank/STDF workshop on SPS risks and climate change which will take place in Washington, DC, on 22-23 September. A draft agenda for the meeting had been posted on the STDF website and an electronic registration form would soon be in place. Given the limited budget, the STDF would primarily fund workshop speakers from developing countries and international organizations. A short summary briefing note would be produced by the STDF Secretariat as a follow up to the workshop.
6. The Secretariat also provided information on its recent participation in an IPC seminar on climate change and food and agricultural trade in Salzburg on 10-11 May, and in a subsequent meeting of the ITCSD - IPC Platform on Climate Change, Agriculture and Trade, on 12 May. Both meetings explored the areas at the nexus of climate change, agricultural and trade policy and started formulating recommendations in the run-up to the meeting of the UN Framework Convention on Climate Change in Copenhagen in December 2009. The Secretariat also informed the Working Group on its participation in the OIE Technical Session on climate change in Paris on 25 May. Finally, it referred to a small 8-minute clip produced by the International Livestock and Research

Institute (ILRI) on climate change and links to animal and human health. The video clip can be found at [www.ilri.org](http://www.ilri.org).

7. The Chair drew attention to a world climate conference planned for the week of 29 August at the World Meteorological Organization (WMO). The conference will discuss how climate science and information can be used by decision-makers at all levels in order to adapt to climate vulnerability and change. The meeting will make reference to tools needed in the agriculture field to adapt to climate change, especially in the medium-term.

STDF workshop on economic analysis (STDF/Coord/291)

8. The Secretariat informed the Working Group on the STDF workshop on economic analysis in Geneva on 30 October. The workshop would focus on the use of economic analysis to inform SPS decision-making and discuss the benefits of investing in SPS systems in order to prevent animal diseases, plant pests and food safety problems as opposed to the costs of control. Recent research analyzing economic aspects of investments in SPS capacity building would be presented, as well as relevant lessons and experiences from developing countries.

9. Both the Secretariat and the OIE explained the importance of investing in veterinary capacity - including early detection systems - and referred to an OIE study published in 2007 (led by Dr Alain Dehove) about the cost of operating veterinary services in peace time and the indirect cost of disease outbreaks. Working Group members generally agreed that the work could further assist in convincing decision-makers of the benefits of investing "x" dollars in an SPS component which will then generate "y" benefits.

10. It was agreed that a two-week comment period be allowed for Working Group members to submit additional comments on this and other background papers produced by the Secretariat.

STDF donor meeting on fruit fly coordination in West Africa (STDF 225)

11. The Secretariat presented its updated work plan on the organization of a donor meeting to better coordinate the response to fruit fly in West Africa. As part of the plan, the STDF, the World Bank and the EC had commissioned COLEACP to conduct a follow-up exercise to the initial EC scoping study with a view to developing a fully budgeted regional action plan, as well as a set of recommendations on a preferred institutional set-up to implement the plan. The Secretariat was working with ECOWAS to co-organize the donor meeting to further ascertain donor interest for the implementation of the regional plan. The workshop was planned for 29-30 September in Bamako, Mali.

12. The Working Group welcomed the background paper and emphasized the relevance and the added value of the coordination work conducted by the STDF to control fruit fly in West Africa. If results of the exercise matched expectations, lessons learnt could be replicated in other regions across Sub-Saharan Africa following an evaluation of the initiative.

*STDF research and development activities*

SPS and trade facilitation (STDF/Coord/294)

13. The Secretariat introduced a background paper on possible STDF activities in the area of SPS and trade facilitation. One starting point would be an analysis of SPS issues raised in trade facilitation needs assessments, to be done in collaboration with the WTO Trade Facilitation Section. In the context of Aid for Trade, the STDF could consider becoming more involved in trade facilitation initiatives and programmes, such as the Trade Facilitation Facility (TFF) launched by the World Bank in April 2009 (which included SPS capacity building components). It was suggested

that the Secretariat further liaise with the TFF to obtain more information on its operation and explore future areas of cooperation. The Secretariat was asked to pursue the proposed activities within a reasonable time frame. Reporting should take place at the next Working Group meeting, or at the first meeting in 2010.

#### Research on SPS indicators (STDF/Coord/293)

14. The Secretariat recalled that future planned work on SPS indicators had been discussed several times in the Working Group. In February, the Working Group had agreed that the level of ambition should be limited to research and possible development of indicators at the project or programme level (and not extended to the broader Aid for Trade monitoring exercise). The Secretariat explained its planned research activities, i.e. the identification a common basket of SPS indicators which would lead to a better understanding and alignment among donors and beneficiaries and a more effective use of scarce SPS resources. The research would be in alignment with the Paris Principles on Aid Effectiveness and conducted in close collaboration with the OECD. The research would also build on the STDF good practice workshop in October 2008 and would necessitate the further input of STDF partners and donors before the end of July 2009. It was proposed to conduct the work in-house, through a two-month extension of the contract of Ms Farah Farooq.

15. The Working Group agreed to extend Ms Farooq's contract until the end of October 2009 to carry out the planned research on SPS indicators. The Working Group also agreed to consider at a later stage the possibility of organizing a global-level workshop on SPS indicators in the course of 2010.

16. The IPPC Secretariat described an initiative in the IPPC framework for developing indicators to measure the implementation of plant health standards in developing countries. Although the IPPC Secretariat did not plan to select indicators on the economic impact of international standard implementation, the STDF research could point in this direction.

17. The OIE recalled that on the implementation of international standards, the performance of developed countries as well as developing countries was of interest and concern to the OIE and suggested that the OIE work closely with the Secretariat to develop useful indicators drawing from their recent experience of 85 evaluations on the application of the OIE PVS tool. The OIE also observed that disease prevalence could be misleading as an indicator, because improved performance in disease could result in the discovery of more disease outbreaks.

18. The EC welcomed the STDF initiative to give more attention to results based management (RBM). Establishing a fixed list of indicators was not an easy task and the Secretariat should work closely with the OECD, the World Bank, DFID and others in smaller groups to distil existing information on SPS indicators. The EC supported the IPPC initiative on the monitoring of implementation of international standards and suggested that it could be a useful next phase. It also supported the idea of conducting initial work in the Secretariat and linking up with the SPS Committee and the Monitoring and Evaluation Framework developed within the EIF. It was important to instil the RBM approach and the use of logical frameworks in developing countries.

19. The representative of IICA explained that for many of the challenges raised, including difficulties related to data collection and to un-bundling SPS components in larger private sector development projects, IICA had abandoned the development of specific SPS indicators. Instead, IICA focused on the collection of success stories.

20. In summing up the discussion, the Chair recalled that indicators never tell the full story but generally provide a good idea of whether one has come close to achieving objectives. Partners and donors were invited to provide further information by the end of July 2009. The Secretariat will present the outcome of the research at the next meeting of the Working Group.

### Evaluation of STDF regional consultation workshops

21. The Chair summarized the history of the regional consultation workshops in Central America, East Africa and the Greater Mekong Delta sub-region. At its meeting in October 2008, the Working Group had decided to wait for the outcome of the STDF evaluation prior to deciding on a specific evaluation of the regional consultation workshops. The STDF evaluation report (November 2008) recommended that the consultations be a core activity of the STDF programme. In February 2009, the Secretariat had indicated that it would draft a background paper on the outcome of the consultation workshops to inform a decision of the Working Group at the June meeting whether to further evaluate the previous regional consultations and whether to hold additional consultations.

22. The Secretariat apologized that the background paper was delayed because: (i) a lack of clear indicators agreed beforehand to measure the outcomes and impacts of the consultations; (ii) no information from partners and donors as to a prioritization of SPS issues in their technical and financial planning (a prerequisite for further mobilization of donor resources); and (iii) a new Aid for Trade road map for 2009-10 would be prepared immediately following the Global Review on 6-7 July and it was suggested to link any future consultations to the Aid for Trade roadmap. The Secretariat suggested that any decision to conduct further consultation workshops should be taken in conjunction with the adoption of the new Operating Plan for 2010-11. In any event, the Secretariat would not have the capacity to conduct another consultation in 2009.

23. The Working Group agreed not to undertake an additional external evaluation of the regional consultation workshops, and decided to postpone the decision to hold new regional consultation workshops to the next meeting in conjunction with the adoption of the new Operating Plan 2010-11. The Working Group also considered that more work would have to be undertaken prior to the organization of further such events, especially in the area of results based management and the establishment of clear indicators of impact. The Chair suggested that future workshops have more realistic expectations, focusing less on the resource mobilization aspect and more on raising awareness on the importance of SPS capacity building and the opportunities for synergies and collaboration.

### ***Collaboration with other SPS-related initiatives***

#### Collaboration with TSPN

24. The Secretariat reported on the collaboration between the STDF and the Trade Standards Practitioners Network (TSPN). The TSPN had nominated a new Coordinator but was still in the process of defining its activities which would focus around three main areas: (i) improving informed decision-making in developing countries; (ii) improving technical assistance; and (iii) improving understanding of the impact of standards in a development context. The Secretariat informed the Working Group of some imminent activities organized by TSPN in collaboration with UNCTAD and requested views from STDF members participating in TSPN regarding possible future collaboration between the STDF and TSPN.

25. The OIE emphasized that while the STDF should focus on assisting countries to comply with public international standards in the area of food safety, animal and plant health, the TSPN was mainly focusing on compliance with voluntary private standards. Although collaboration was important, private standards were in some instances undermining the implementation of official standards, and OIE was of the view that the only role of private standards should be to support the implementation of international standards. Other members noted the current debate on public and private standards in the SPS Committee and warned against skewing this debate by "endorsing" the work of TSPN. The FAO informed the Working Group of TSPN's interest in looking more closely

at food safety standards. The Codex Secretariat referred to a recent paper on private standards<sup>1</sup> and mentioned that Codex's direction in this debate would be determined in due course by the Codex Commission.

26. The Chair recognized the importance of monitoring the work of the TSPN and other similar initiatives. She also drew the Working group's attention to an upcoming workshop on private sustainability standards, organized by the WTO on 9 July 2009. The Working Group agreed with the Secretariat's proposal to invite a representative of the TSPN to the next Working Group meeting to provide an overview of TSPN's mandate and planned activities. This would not constitute granting TSPN observer status in the STDF. The invitation to TSPN would be made on the condition that the STDF Secretariat be invited to a TSPN board meeting to make a presentation on STDF's existing and planned activities.

#### Collaboration with the EIF

27. The Secretariat reported that it would make a presentation on the STDF during the forthcoming workshop for EIF Focal Points on 8-10 July. The STDF had met its target to commit at least 40% of its project resources to LDCs and OLICs and continued to work closely with the EIF Secretariat to nurture further links between the programmes.

#### Participation in Aid for Trade events

28. The Secretariat reported that parts of the STDF film would be presented during the 2<sup>nd</sup> Global Review on Aid for Trade on 6-7 July (see below). The complete film would be screened as a side event. In addition, a series of bilateral meetings had been organized on the margins of the Global Review with donors and other organizations. The development of the Aid for Trade roadmap for 2009-10 would be closely monitored in the months to follow the Global Review. A regional Aid for Trade meeting in the ECOWAS region had been postponed to the second half of 2009. The Secretariat would aim to participate in this event and use it as a platform to showcase the work on fruit fly in West Africa. The Secretariat also reported on the national Aid for Trade dialogue held in Lima, Peru, to which the STDF contributed with a specific report on SPS issues.

#### STDF participation in other SPS related initiatives

29. The Working Group was briefed on the collaboration between the STDF and the Natural Resource Institute (NRI). The NRI representative recalled that it was implementing the DFID-supported programme on Agrifoods Standards. One theme targeted the identification of appropriate systems for meeting public SPS requirements. In addition, NRI was developing a toolbox for rapid identification of a range of potential impacts resulting from new SPS measures. The STDF had also established contact between NRI and the PAN-SPSO programme (see below). NRI had visited AU/IBAR in June 2009 and planned to participate in the PAN-SPSO workshops in Nairobi and Bamako in July 2009.

30. The Secretariat recalled that Michigan State University (MSU) was one of several key partners involved in the establishment of the Food Safety Knowledge Network (others included USAID, Hewlett Foundation, World Bank, etc.). One objective of the FSKN was to create an open education resource to provide links to existing training on competency requirements to implement private and public standards. The network would be launched in Washington, DC, on 28 September, immediately following the World Bank/STDF climate change workshop. The Secretariat had been invited to participate. The Secretariat also recalled that MSU had already contacted the STDF about this initiative in 2008. The Secretariat had subsequently linked the development of the FSKN with a

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<sup>1</sup> *The Impacts of Private Food Safety Standards on The Food Chain and an Public Standards-Setting Processes*, paper prepared for FAO/WHO, Spencer Henson and John Humphrey, May 2009.

funding application it had received from GTZ and the University of Ghana to develop an e-learning tool to be rolled out throughout Africa. A revised proposal could be expected in the near future with links to the FSKN.

31. The Secretariat reported on its participation in a High Level Conference in Addis Ababa, Ethiopia, on 3 April 2009, at which the EC launched its "Better Training for Safer Food in Africa" (BTSF-Africa) Initiative. The event was preceded by an intensive training course for officials from the AU Commission and RECs (30 March to 2 April 2009), in which the STDF also participated. Under the "BTSF-Africa" Initiative, the EC and the AUC will jointly coordinate the implementation of seven capacity building activities worth around €10 million in 2009-10. The activities target the public and private sectors playing a role in SPS systems at national, regional and continental levels.

32. The Secretariat also recalled its participation in the first PAN-SPSO Steering Committee in February 2009 at which AU/IBAR and the STDF agreed to jointly implement three specific activities under the PAN-SPSO programme: (i) increasing the SPS capacity of officials of RECs and the AUC and train an additional group of African SPS experts as trainers (Nairobi and Bamako workshops); (ii) facilitating observer status of RECs in meetings of Codex, OIE and IPPC and the SPS Committee (a compilation of requirements was sent to AU/IBAR for onward dissemination); and (iii) conducting a scoping study on national and regional SPS collaboration mechanisms.

33. The Secretariat sought Working Group approval to fund the scoping study from the core STDF budget. Further thought could be given to the organization of a global-level event in 2010 on coordination mechanisms. At such an event, the scoping study could be presented, in addition to work of other organizations such as IICA. IICA informed the Group of its tool on building national coordination systems for SPS.

34. The Working Group agreed to fund the scoping study with a budget of up to CHF 40,000, subject to the two-week comment period, see para. 10.

### ***Funding Situation***

35. The Secretariat informed the Working Group about a shortfall of funds of CHF 1,244,887 at 15 June 2009. However, this should not prevent the Working Group from approving projects and PPGs because contributions had recently been received from Australia and the Netherlands, and further contributions were expected from Germany and Japan. With these additional contributions, the total funding received in 2009 would equal the funding received in 2008. In addition, discussions were well-advanced with other donors (Denmark, Finland, Ireland, Norway, Sweden, Switzerland, and the UK) to renew their funding. Chinese Taipei had previously expressed an interest in contributing.

### **Presentation of STDF film**

36. A screening of the new STDF-produced film entitled "Trading Safely: protecting health, promoting development" took place at the meeting. The film was unanimously praised by Working Group members as an important tool to raise awareness about SPS issues and mobilize additional support. Production of 5,000 copies was underway and the Secretariat would give further thought to disseminate the film, including in upcoming WTO training courses on the SPS Agreement. STDF partners and donors expressed their interest in using the film in their SPS-related training activities. The Secretariat also recalled that the film would be shown at the Codex Alimentarius Commission in Rome on 3 June, and on the margins of the Global Aid for Trade Review in Geneva on 6-7 July.

37. The Working Group approved the use of the remaining budget (agreed in April 2008), and approved a small additional budget of up to US\$ 7,000, for the development of two additional

products: (i) a shorter version of the film (7-8 minutes); and (ii) a short clip about the STDF. The two products would be ready by the end of the year.

### **Exchange of information on SPS-related initiatives**

38. The Secretariat circulated a compilation of all information received from Working Group members and observers in advance of the meeting, on their existing and forthcoming SPS activities and initiatives.

39. The EC made a presentation on its SPS-related technical assistance and capacity building activities. Its approach corresponded to comprehensive multi-annual programmes based on needs identified in feasibility studies, identification missions and trade needs assessments. The general areas of support were: capacity building of national and regional authorities, SPS regulations, enquiry points, traceability systems, testing, inspection systems, upgrading of laboratories, quality infrastructure, and other specific issues in important export sectors.

40. The EC presented the Cambodia Trade Development Support Programme (TDSP, US\$9.8m), the Philippines Trade Related Technical Assistance (TRTA) Programme (€4m), and the Regional Integration Support Programme (RISP) for COMESA (€30m), as examples of coordinated responses to improve capacities of national authorities and producers to meet regional and international standards and requirements. Other EC technical assistance activities, with an SPS component, in different regions were also listed in the presentation. Further information is available at: [http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm).

41. The most important SPS-specific EC programmes (mainly in ACP countries) include the Strengthening Fisheries Products programme; the second phase of the Pesticide Initiative Programme (PIP); the programme Strengthening Food Safety Systems through SPS measures; the programme on promoting veterinary and human health governance in Africa; the regional cooperation programme on highly pathogenic and emerging diseases (HPED); the PAN-SPSO project; and specific SPS training programmes (such as BTSF).

42. The OIE made a presentation on its capacity building tools and activities aiming at strengthening veterinary services of its members by sharing information and expertise and collaborating with key partners. The overarching objective of OIE capacity building was to help members to meet their OIE obligations. The reinforcement of OIE regional and sub-regional representations had improved OIE's capacity building services for members. Also the nomination of focal points on animal welfare, animal production food safety, aquatic animals, veterinary products, disease reporting and wildlife, had assisted in making the OIE training more specific and focused.

43. The OIE highlighted its involvement in STDF projects addressing animal health issues, regional training programmes in different areas of specialization, the use of the PVS tool to evaluate performances and identify priorities of veterinary services, and the OIE twinning initiative. Detailed information about the OIE PVS tool, the status of OIE PVS missions, the OIE PVS evaluation reports, studies on cost-benefit analysis, and the OIE twinning initiative was available at the OIE website: [http://www.oie.int/eng/en\\_index.htm](http://www.oie.int/eng/en_index.htm).

44. Chile and Brazil had expressed an interest in becoming more involved in STDF work and were therefore invited to participate as observers in the Working Group meeting. The delegate from Chile gave an overview of the Chilean SPS situation, the technical cooperation work conducted by its Agricultural and Livestock Service ("SAG"), and its technical cooperation plan for 2009. Chile actively provides assistance to other developing countries in Latin America and the Caribbean through training courses in: notification systems, quarantine, surveillance, certification, detection and eradication systems, import procedures, laboratories, and border inspection. Training courses were

open to SPS officials from all developing countries, upon registration. The SAG would cover the cost of the training course. More information was available at: <http://www.sag.gob.cl>.

45. The delegate from Brazil gave an overview of the structure and the functions of the Brazilian Department of Sanitary and Phytosanitary Negotiations (DNSF), which is part of the Ministry of Agriculture, Livestock and Food Supply. He highlighted DNSF's current involvement in an FAO project aiming at improving the efficiency of the food control system in Angola and provided other examples of DNSF technical assistance in African, Latin American and Caribbean countries. He referred to DNSF's involvement in two STDF projects and presented a new "train-the-trainers course on the WTO/SPS Agreement", to be offered in 2009 and 2010 by DNSF, in partnership with the Brazilian Ministry of Foreign Affairs, private sector, and academia. The ITC representative said that ITC would be revising its publication on "Export Quality Management: An answer book for small and medium-sized exporters" jointly with PTB, the German Metrology Institute. The second edition of the book would increase the number of questions and answers dealing with SPS issues, as these had been rather limited in the first edition.

46. The Secretariat mentioned that it would make all the presentations available on the STDF website ([www.standardsfacility.org](http://www.standardsfacility.org)).

### **Presentation of STDF website**

47. The Secretariat introduced a background document on suggested improvements to be made to the STDF website. The Secretariat suggested that further improvements were necessary in terms of re-design (to give the website a more contemporary look) and the insertion of additional tools (to make the website more user-friendly and a key platform for information sharing). Preliminary consultations had been held with the IT Division in the WTO, but the work would also require external IT assistance. The budget for re-designing the website, and the insertion of several key tools (notably a "search tool" as recommended by the STDF evaluation report), while keeping the website "static", was estimated at CHF 50,000. This budget would allow for some flexibility and any remaining funds could be used to develop "dynamic" tools, such as the creation of an "STDF Virtual Library".

48. The initiative was welcomed by the Working Group. The OIE suggested that the website include information sharing features such as a newsroom of upcoming training events and workshops, and act as a coordination mechanism. The EC also expressed its strong support, adding that the STDF website is a crucial "public relations" tool that warrants proper investment. The Secretariat encouraged Working Group members to include links to the STDF website on their own websites. The Secretariat also recalled previous discussions in the Working Group on the development of a more user-friendly database on SPS technical assistance and capacity building activities. The possibility of linking to existing databases in-house, such as the previous Trade Capacity Building Database and/or the SPS Information Management System, would be further explored. The Chair emphasized the importance of facilitating the inclusion of relevant information from donors and partners in order to ensure that the website would be as comprehensive and complete as possible without placing an unnecessary burden on these entities.

49. The Working Group approved the proposed budget of CHF 50,000 for re-designing the website and inserting the "static tools" needed. It also instructed the Secretariat to do more research in terms of the insertion of "dynamic tools" and linking to existing databases. The Secretariat should provide a status report at the next Working Group meeting.

### **Overview of implementation of on-going projects and PPGs**

50. The Secretariat reported on progress made in the implementation of ongoing projects and PPGs. Document [STDF/WG/Jun09/Overview](#) had been circulated before the meeting and provided

an overview in this regard. The Secretariat recalled that beneficiaries were no longer required to submit status reports to the STDF Secretariat 14 days before each Working Group meeting (as decided by the Working Group in February 2009). All regular six-monthly progress reports of STDF projects, as well as the evaluation reports, were available on the STDF website. The Working Group was informed that a total of 33 PPGs and 36 projects had been approved by the STDF since its inception, with 53% of STDF project resources going to LDCs and OLICs.

***Presentation of issues arising by the Secretariat***

***STDF 133 - Building capacity to use the PCE Tool in the Pacific***

51. The Working Group approved the request for an extension of the project until 31 December 2009.

***STDF 155 - Nicaragua market oriented training service on market application***

52. The Working Group granted an extension for the Secretariat to find an implementing agency until the next Working Group meeting. The Secretariat referred to preliminary discussions with OIRSA on the margins of the SPS Committee.

***STDF 238 - Development of accredited HACCP certification schemes for processed food products in Guatemala***

53. The Working Group agreed to apply the one-year period for contracting this project as of 27 February 2009, when the project had been fully endorsed by the Working Group. The Secretariat referred to discussions with OIRSA and ITC as possible supervising agencies.

***STDF 56 - Capacity building for implementation of the Codex Alimentarius Code of Practice for animal feeding***

54. FAO informed the Working Group that the final version of the Feed Manual was expected to be printed in the next few weeks.

***STDF 127 - Information flows on SPS requirements, particularly in the private sector in Benin***

55. The Secretariat informed the Working Group of a request received by the FAO Benin office requesting: (i) an increase of 22% in funding to implement project STDF 127; and (ii) an increase of 65 working days. FAO indicated that the budget increase was attributable across existing budget lines and would not add new activities to the existing project. Further, FAO noted that the budget increase mainly reflected higher consulting costs, airline costs and other budget items which were originally under-estimated during the project's inception phase.

56. The Working Group expressed its concern with the magnitude of the proposed budget increase and suggested that such issues should be duly addressed during the project's design and contracting phase. The Working Group also expressed its discomfort to approve such a budget increase as this process could set a precedent for other requests. The Chair underscored the importance of ensuring that all relevant information for such decision be provided in writing by the relevant entities well in advance of the meeting in order for members to prepare for the discussion and consult as necessary. The EC noted that while budget under-estimations may occur during the life of a project, project proposals usually do not attribute more than 5-10% of the budget to miscellaneous costs. The EC also invited FAO to contact the EC Delegation in Cotonou to try to identify alternative solutions to the problem. While the Working group expressed its understanding of the situation that FAO's Benin office was confronted with, it was not able to reach agreement on approving the request for a budget increase. The Working Group requested the FAO to consult with

the beneficiary to further clarify: (i) the necessity to include a budget increase on airline tickets and the consequence on project implementation of not approving that increase; (ii) the need to pay consultants at a higher rate than that proposed by FAO, as well as the expected consequences on project implementation of not approving that increase; and (iii) to indicate the overall consequences on project implementation in case the proposed increase was not approved.

57. The Working Group requested FAO to submit this supplementary information by Friday 10 July 2009, close of business. If this deadline was met, the Working Group agreed to mandate the Secretariat to review and circulate the additional information to the Working Group in order to approve the FAO request on a non-objection basis by end of July 2009.

### **Evaluations of completed projects**

58. The Secretariat informed the Working Group that two evaluations had been carried out since the last Working Group (STDF 19 and STDF 134), while two more evaluations (STDF 13 and STDF 114) were ongoing. The results of the latter two would be in the next Working Group meeting.

59. The Working Group also agreed to postpone the decision on the evaluation of four other completed STDF projects. Final reports for STDF 79 (to go hand-in-hand with the evaluation of STDF 10), STDF 65 and STDF 145 had not yet been received by the Secretariat. The delegate of Switzerland briefed the Working Group about the external evaluation of UNCTAD's Commodities Programme, which had also looked at STDF project 65. However, the UNCTAD evaluation was much broader in scope and a specific evaluation of the project may still be needed in accordance with the STDF procedures.

60. The evaluator of project STDF 19 (Model arrangements for SPS stakeholder involvement at the national level, Paraguay), Mr Marius Bordalba, presented his findings and recommendations. Overall, the project has had a positive impact on improving the coordination between and among public and private stakeholders with respect to the handling of SPS-related information. The establishment of the national SPS Committee had played a central role towards the achievement of this goal. Still, several key expected outputs had not materialized during the lifespan of the project. This included, notably, putting a fully usable web-portal at the disposal of the beneficiaries (including transmission of the ownership rights). The evaluator also recommended that in future STDF projects, where expertise is available, local experts should be involved in all stages of the project cycle. Finally, further assistance to Paraguay in the field of SPS matters should be envisaged by the STDF and/or its members.

61. The Secretariat noted that this contract had been tendered, that the Secretariat had followed up with the consultant on various occasions (as shown in the evaluation report) and that there was still one outstanding payment to be made to the consultant (approximately US\$ 45,000). The EC observed that close monitoring of consultancy firms is crucial and endorsed the use of local expertise. The WTO stated that a large part of the problem was that the consultant had changed jobs. The World Bank pointed out that it screened technical proposals carefully but that in some instances local expertise is not available. In those cases, international experts should work closer with the local experts. The World Bank also suggested that this firm could be black-listed.

62. The Working Group agreed with the Secretariat's suggestion to request the contractor to use all means at its disposal to ensure the company finalizes and provides the SPS web-portal to the Ministry of Agriculture in Paraguay. This would include transmission of the property of the portal to the beneficiary. The Working Group also agreed that the outstanding final payment should not be made, as the consultant did not deliver several outputs.

63. Due to time constraints, the Working Group decided to postpone the presentation of the evaluation of STDF 173 (Strengthening capability to assess the capacity building needs of food

control systems and develop capacity building action plans in developing APEC Member Economies) to the next meeting. The report of the evaluator, Mrs Luz Diaz Rios, has been distributed to the Working Group.

#### **Review of applications received (STDF/WG/Jun09/Review)**

64. The Secretariat indicated that since the last meeting in February 2009, eleven applications for project grants and PPGs had been received. Of these, the Secretariat recommended nine applications for consideration by the Working Group.

#### ***Overview of applications not accepted for consideration by the Working Group***

65. Two applications were reviewed by the Secretariat and were not put forward for consideration due to the fact that they did not fully meet the STDF project criteria. The Chair informed the Working Group that she had recommended one of the projects, not eligible for STDF funding, to the Danish field office in Tanzania.

#### ***Applications resubmitted from previous Working Groups***

***STDF/PG/259R1 - Strengthening Vietnamese SPS Capacities for Trade - Improving safety and quality of fresh vegetables through the value-chain approach***

63. The Working Group approved the revised application for STDF funding. The Working Group strongly encouraged the Fruit and Vegetable Research Institute (FAVRI) and other concerned stakeholders to further develop and quantify the indicators to be used to measure performance before proceeding with implementation. The Working Group further recommended to increase the amount for ex-post evaluation to US\$ 20,000.

#### ***Requests for project preparation grants (PPGs)***

***STDF/PPG/298 - Capacity Building Programme on Pesticide Residues and other Harmful Substances in Cocoa in Africa (International Cocoa Organization (ICCO)).***

66. The PPG was approved by the Working Group. The EC supported the PPG and drew attention to an EC-funded project in West Africa on conformity assessment. The US also supported the PPG and advised the applicant to consider both sanitation and pesticide issues. Germany also supported the PPG and suggested to use local extension services to ensure that the institutional support would be stronger.

***STDF/PPG/302 – Project Preparation Grant to support the competitiveness of cabbage in the Niayes region- Senegal***

67. The Working Group approved the PPG for funding. Codex suggested that more emphasis could be placed on meeting international standards. The EC underlined the relevance of the proposed activity and suggested that the applicant contact the PIP programme to ascertain interest in funding the resultant proposal.

***STDF/PPG/303– Project preparation grant to conduct a total diet study for Sub-Saharan Africa***

68. The Working Group approved the request, given that exposure assessment is an important component of risk assessment and allows countries to take appropriate measures to enhance food safety and better implement international standards.

***STDF/PPG/305 - Institutionalising SPS for agricultural health and food safety systems in Africa (African Union Commission)***

69. The Working Group approved and expressed full support for the proposed scoping study on regional SPS frameworks, but recommended adjustments in the proposed implementation schedule. Some Working Group members suggested that a preliminary discussion on the topic could take place on the margins of the next Steering Committee meeting of the "PAN-SPSO" programme (tentatively scheduled in September 2009 at AU/IBAR), as this meeting would include all the relevant stakeholders. A second meeting to validate the study and discuss the way forward would have to be identified at a later date. Both meetings would be organized by the African Union Commission.

***Applications from or benefiting LDCs or OLICs***

***STDF/PG/234 - Implementation of ASEAN GAP in Lao PDR.***

70. Some members of the Working Group questioned the appropriateness for the STDF to fund a project that overwhelmingly focused on voluntary GAP schemes, though there was general agreement that meeting private standards is increasingly a requirement for market access. Other concerns were raised regarding the private sector's demand for ASEAN GAP and whether the implementation of ASEAN GAP would be sufficient to promote agricultural exports. In addition, some members observed that there were more pressing needs to enhance SPS capacity in Lao PDR.

71. The Working Group also discussed whether some or all of the activities proposed in this application could be funded through other sources, specifically the Trade Development Facility (TDF) or Tier II of the EIF. Some members were of the opinion that if the government clearly articulated its support and priority for the proposed activities, then funds could be sought from the TDF or EIF. The Working group did not approve the project proposal and instructed the Secretariat to forward the comments from the Working Group to the beneficiary, highlighting other potential funding avenues.

***STDF/PG/283 - Appui à la maîtrise des risques sanitaires et phytosanitaire au niveau de la filière d'exportation des mangues du Mali (Support to SPS risk management in mango exports from Mali).***

72. The Secretariat had circulated a review pertaining to the original proposal that had been received on the deadline for submission of projects. The review raised questions about: (i) the eligibility of the applicant, the Agriculture Competitiveness and Diversification Program (PCDA), a national entity heavily supported by the International Development Assistance (IDA) Group of the World Bank, (ii) the lack of clarity with respect to implementation modalities; and (iii) the lack of clarity with respect to synergies with other on-going initiatives.

73. A revised proposal was received by the Secretariat one week prior to the meeting and therefore had not been circulated to Working Group Members. The World Bank presented the revised and much improved version of the proposal which addressed the issues outlined by the Secretariat in its review. The EC supported the overall objective of the revised proposal. The WTO advised to table the revised proposal at the next meeting of the STDF Working Group to allow Members to share the project document with their constituencies in-country and make a fully informed decision. The Working Group agreed to review the revised proposal at its next meeting.

***STDF/PG/299 - Development and Dissemination of Training Materials for Enhancing Biosecurity in Aquaculture Operations to Meet SPS Standards in Low Income Economies***

74. The OIE and FAO expressed concerns that they had not been informed about this application although they were named as coordinating agencies. The proposal was not approved.

*Applications from or benefiting other developing countries*

*STDF/PG/301 - Implementing Salmonella Control Measures in Central America*

75. The Working Group agreed with the Secretariat's review and decided not to approve the proposal. The US informed the Working Group on their ongoing studies in this area and requested further information about how scientists would be involved.

**Decisions on funding and prioritization**

76. Total funding approved at the meeting amounted to US\$ 659,401. Although the STDF Trust Fund was currently in the negative, the financial outlook was good. The Secretariat expected that all the projects and PPGs approved at the meeting could be contracted soon and no decision on prioritization was needed.

**Other business**

77. The Working Group thanked the three developing country representatives for their hard work and valuable contributions to the Working Group meetings. The Secretariat also hoped that the three representatives would remain "STDF ambassadors" in the future. The Secretariat would start the selection process for three new candidates as well as a new LDC representative.

78. The Secretariat reminded the Working Group that comments on the Secretariat's background papers should be submitted by 10 July 2009. Furthermore, the Working Group was invited to provide further inputs on the STDF research on SPS indicators by the end of July 2009.

79. The Working Group was also invited to provide suggestions with regard to the next Operating Plan 2010-11. Some members of the Working Group expressed interest in meeting informally on the margins of the next SPS Committee meeting (28-29 October) and the STDF workshop on economic analysis (30 October) to discuss the elements of a new STDF Operating Plan for 2010-2011. The Secretariat agreed to prepare a preliminary draft for discussion by mid-October.

80. In consultation with the Chair, the Secretariat will decide on the dates of the next meeting of the Working Group and Policy Committee, to be held either on 23-24 November or 10-11 December, based on comments received from Working Group members by 10 July, close of business. The STDF Policy Committee would be hosted by the World Bank in Geneva.

81. The meeting was closed on 26 June at 13.30.

**Annex 1****List of Participants**

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