

**SUMMARY REPORT OF THE STDF WORKING GROUP MEETING
2 MARCH 2007
WTO Headquarters, Geneva**

I. ADOPTION OF THE AGENDA

1. The agenda was adopted with amendments. Projects STDF 48 (Quality control for shea and cashew nut products in Benin), STDF 134 rev.1 (Capacity building for improving the fish trade performance of selected African countries), STDF 180 (Capacity building for implementation of the Codex Code of Hygienic Practice for Milk and Milk Products) and project preparation grant STDF 105 (Compartmentalization) were included on the agenda. A list of participants to the meeting is provided in Annex I.

II. REPORT BY THE STDF SECRETARY ON PLANS TO IMPLEMENT THE STDF OPERATING PLAN FOR 2007

WTO/OECD Trade Capacity Building Database

2. The Secretary reported on discussions with the OECD Secretariat on how to improve reporting of SPS-related technical assistance activities to the WTO/OECD Trade Capacity Building Database (TCBDB). The aim of these discussions was to ensure that a problem of under-reporting of donor SPS activities was resolved and to improve the database's functionality. It was noted that the TCBDB would be updated as part of the Aid for Trade Initiative. The Secretary stated that he would follow this process closely and report to the Working Group accordingly.

STDF Staffing

3. The Secretary updated the Working Group on plans to strengthen the STDF Secretariat. Two fixed-term "L" posts would be published on the WTO website by the end of March/early April 2007 and it was hoped that they would be filled by the summer. The Secretary agreed to circulate these vacancy notices to the Working Group to ensure that these posts could be published as widely as possible. Several donors stressed the importance of further enlarging the Secretariat in the near future (as foreseen in the Medium Term Strategy) in order to be able to fulfil its role of "centre of excellence".

STDF 175: Regional consultations on SPS technical co-operation effectiveness

4. The Secretary introduced document STDF 175 setting out the framework for the regional consultations on SPS-related technical cooperation to be held at the end of 2007.

5. The Working Group generally welcomed the proposed framework but felt that further improvements should be made to enhance the chances of success. In particular, the framework would benefit from a clearer description of the problem to be solved and the objectives to be achieved. Distinctions were drawn between immediate and so-called higher level objectives, neither of which were sufficiently specified in the opinion of a number of participants.

6. Although the use of the OECD evaluation framework as the basis for the evaluations of technical cooperation activities was agreed in principle, it was felt that this work would also benefit from a project-cycle approach and thus look more specifically at project development and implementation phases. Case studies of successes and failures also represented a useful approach to be considered. The use of a "logframe" as a method of tying in goals and objectives into inputs and outputs was generally recommended.

7. The Working Group suggested that further specification needed to be given to the terms of reference for the consultants, including time schedules, updating the budget for the activity (reflecting the use of eight instead of six consultants), and making the programme for the consultations more interactive. Contracting a professional moderator for these workshops was recommended. The importance of sharing experiences among regions was also highlighted – though it was acknowledged that information sharing could only take place following the first batch of consultations. The probable impact of the events was also considered with one participant viewing national follow-up actions as important to ensuring the sustainability of the action.

8. The Working Group recalled that a previous funding application from the University of Guelph together with the World Bank and FAO (STDF project 110 rev.1) largely complemented the approach and work being undertaken in STDF 175. The Secretary recalled that at its meeting in June 2006, the Working Group had recognized the potential of this application, but felt that a further revision was necessary. The Working Group invited the World Bank and FAO to consider a more proactive role in STDF 175 and to resubmit the previous project document.

9. On the issue of dissemination, the Secretary noted its intention to disseminate the results of projects and the regional consultations through the SPS Committee meetings, the STDF website, and websites of partners and donors. The importance of publicizing the STDF more broadly – including its Medium Term Strategy – and attracting more external funding was stressed by several participants. In this regard, the Secretariat also referred to WTO's regular technical assistance programme, the planned compendium on sources of SPS-related technical cooperation, and the importance of STDF's coordination and "matchmaking" function in relation to PPGs. Another option under consideration was to visit donors currently not contributing funds to the STDF.

10. The Working Group requested the Secretary to update document STDF 175 and circulate it for final comments, if any, to be delivered within two weeks following distribution. Finally, the Working Group agreed that partners and donors would submit more names and suggestions for the consultant positions to the Secretary immediately following the meeting.

III. REPORT BY THE STDF SECRETARY ON THE STATUS OF ON-GOING PROJECTS AND PROJECT PREPARATION GRANTS

11. The Secretary reported that evaluations of projects STDF 37 (*Assistance to developing countries in the implementation of ISPM 15*), STDF 56 (*Capacity Building for implementation of the Codex Alimentarius Code of Good Practice for Animal Feeding*) and STDF 14 (*OIE veterinary capacity evaluation tool*) had been contracted and would commence shortly. The evaluation of STDF 10 (*International Portal on Food Safety, Animal and Plant Health*) would commence after receipt of the final project report. The Secretary also referred to Annex 1 to document STDF 176 containing guidelines for the evaluation of STDF projects.

12. The Working Group discussed the importance of evaluating completed STDF projects in order to fully capture lessons learnt, identify follow up actions and determine funding priorities. One participant recommended that a meta analysis of evaluations be undertaken. It was decided that all five STDF projects to be completed in 2007 would be evaluated. The Secretary recalled that the results of the evaluations would appear on the STDF website and be distributed to the Working Group. It was agreed that an executive summary of each evaluation would be useful in this respect.

STDF 100: PPG for Cape Verde

13. Reference was made to the Secretariat's coordination and "matchmaking" function between requests for technical assistance on the one hand and identifying available donor funds on the other. The Secretariat's project preparation activities in Cape Verde were mentioned in this regard. This work had focused on the use of a highly experienced Brazilian government official to design a project

for funding by the wider donor community. The Secretariat pointed to contacts made with both the European Commission delegation in-country and to a programme on strengthening SPS capacity in the fisheries sector.

14. Under this item, the Secretariat also reported on a recent WTO regional workshop in Mali and a follow-up mission in Burkina Faso under the Integrated Framework (IF). Participants welcomed both initiatives and encouraged further awareness raising in IF countries on the STDF. It was noted that the STDF could help overcome one of the main obstacles faced by the IF in terms of developing projects which addressed issues identified in the Diagnostic Trade Integration Study. The Secretariat recalled that one way to do this would be through information passed to local donor offices.

15. It was agreed that linkages with both the Integrated Framework and the Aid for Trade Initiative would be placed as a separate item on the agenda for the next meeting. The need to recognize the IF-STDF link under the Aid for Trade Initiative was also highlighted.

STDF 15: Expanding SPS capacities at national and regional levels

16. The Working Group decided that remaining project funds could be used for the organization of an additional training activity for veterinarians to be held in July 2007 in Zambia in collaboration with COMESA. The Secretary agreed to cross-check whether this activity might be overlapping with technical assistance activities undertaken by the EC. Evaluation of the project would take place during the second part of 2007.

STDF 145: Rwanda Horticulture Export Standards Initiative

17. The World Bank expressed its interest in overseeing and supervising this project. However, such an arrangement would depend on a framework agreement being agreed between the WTO and the World Bank. The World Bank reported that its lawyers were still working on this matter.

STDF 108: Institutional capacity of countries in the Americas

18. The Working Group declined the suggestion of the Secretariat to commence the project in those countries that had submitted supporting letters. It was decided that a deadline for the receipt of supporting letters from all participating countries – including the six collaborating countries – should be set. It was decided that if these letters had not been received by mid-May 2007, the project should be resubmitted to the Working Group.

STDF 19: Country-based plans for SPS development

19. The Secretary reported on the status of the project in Paraguay and Sri Lanka and referred to the request for a budget increment amounting to 13% of the original budget that had been received from the contractor, Abt Associates. It was noted that in its previous meeting the Working Group had expressed concern over this type of supplementary funding. A lengthy discussion took place over the justification for the request in which the Working Group underlined its serious concerns over the issue of sustainability and concerns over the contractor's implementation of the project. The Working Group concluded that the information provided was insufficient, not least with respect to the question of sustainability. The Working Group decided not to grant the additional funding. It was agreed that a review of the project would be commissioned so that the Working Group could receive an independent assessment of the project's impact and any further follow-up actions which needed to be funded.

STDF 68: PPG for the South Asian Association for Regional Cooperation (SAARC)

20. It was recalled that this project preparation grant (PPG) had been outstanding for nearly two years. The Working Group decided to rescind approval for the PPG but stressed that the SAARC Secretariat could reapply for a new PPG. The Secretary mentioned that the SAARC Secretariat would be invited to a forthcoming regional WTO workshop on the SPS Agreement in India.

STDF 105: PPG on compartmentalization

21. The Working Group recognized the importance of compartmentalization for trade and was keen to continue working on this issue. However, it observed that the PPG had been approved in September 2005 and that implementation still remained uncertain as suitable candidates to test the concept had not yet been found. The Working Group therefore decided to rescind approval for this PPG, but invited OIE to re-apply following the General Session in May 2007 and after identification of two willing countries to apply the concept.

STDF 62: Strengthening food safety in Cameroon

STDF 64: Facilitating livestock trade in Djibouti

STDF 69: Capacity building for safety of Yemeni seafood products

22. The Secretary introduced the three projects together by noting that implementation had been delayed over one year in all three cases. He explained that the main reason for the delay was that framework agreements between WTO and FAO (covering STDF 62 and 64) and the WTO and the World Bank (covering STDF 69) had not been concluded. The Secretary expressed the hope that agreements would be in place soon and announced that WTO had agreed to the overhead split of 12% - 1% requested by FAO (and WHO).

23. The Working Group was critical of the delays in implementation and questioned the continued relevance of the projects to the beneficiaries given the time delays experienced. The Working Group rescinded its approval for the three projects. It was agreed that the WTO, FAO and World Bank would ensure that the necessary arrangements were put in place to implement projects before the next Working Group meeting. The Secretary was asked to inform the three applicants of the Working Group's decision and to invite them to update their applications and re-apply for funding, as necessary.

STDF 48: Quality control for shea and cashew nut products in Benin.

24. The Secretary reported that implementation of this project had been delayed for more than one year. In this case, the stoppage was due to the delays in receiving information from the implementing agency (IITA), a lack of clarity with respect to the project budget and inconsistency over the stated use of laboratory facilities. Given these circumstances, the Working Group decided to rescind approval for the project and to invite the applicant to provide the necessary clarity on the budget and use of facilities in a reformulated proposal for the next meeting.

IV. REPORTS BY PARTNERS AND OBSERVERS ON ONGOING PROJECTS AND PPGS

25. Due to time constraints, it was decided that written reports on the status of ongoing projects and PPGs should be made available to the Secretariat and circulated to the Working Group. Reference was made to a written report of UNCTAD concerning the implementation of STDF project 65: *Support to compliance with official and commercial standards in the fruit and vegetable sector in Guinea.*

V. EVALUATION OF APPLICATIONS RECEIVED

26. The Secretary introduced documents STDF 177 and STDF 177 add.1. STDF 177 contained a review of applications tabled at the Working Group meeting. STDF 177 add.1 was a review of other applications explaining why, in the view of the Secretariat, they did not meet the eligibility criteria.

- *Projects resubmitted from previous STDF Working Groups*

STDF 134 rev.1: Capacity building for improving the fish trade performance of selected African countries

27. The Secretariat explained that it had not initially included this application on the agenda of the Working Group meeting. As the application did not pay sufficient attention to existing and ongoing capacity building efforts by the EC and the West African Trade Hub (WATH). In addition, outstanding questions of the Working Group with regard to the role of INFOPECHE and the overall budget had not been properly answered. Prior to the meeting, the Secretariat had received an explanatory letter from FAO - the proposed implementing organization - which further clarified several of these issues. A copy of the letter was distributed at the meeting.

28. The Working Group was informed that there was no duplication with respect to certain of the project activities, e.g. development of a trade-related database, with other on-going donor activities. It was also noted that an EC Programme on Strengthening Fishery Products in ACP/OCT Countries would normally finish in 2007 and no final decision had been reached on the continuation of this programme. Additionally, FAO further clarified its explanatory letter and insisted that there was no duplication with other ongoing efforts. In light of these interventions, the **Working Group decided to approve the request for funding.**

- *Requests for project preparation grants*

STDF 165: Improving fruit production SPS controls in Madagascar

29. **The Working Group approved the PPG.** subject to the Secretariat receiving further information on the competence of the local implementing organization and further information on a previous EC-funded project. The Working Group instructed the Secretariat to take a final decision on PPG approval on the basis of information provided by the Madagascar Mission and through contacts with the EC.

STDF 172: Expanding Nigeria's Food Exports through Enhanced SPS Capacity

30. **The Working Group approved the PPG.** The Secretariat was instructed to work with the USAID-funded West Africa Trade Hub (WATH) to implement this PPG: It was recalled that WATH had undertaken a preliminary assessment of the Nigerian SPS control system on which the PPG could be based.

- *Requests from or benefiting eligible organizations in LDCs and/or OLIEs*

STDF 170: Strengthening the capacity of government SPS officials in Nepal

31. **The Working Group approved the application for funding.** It acknowledged that the application reflected SPS training needs in the country and decided to fund the proposal subject to a revision of the proposal in order to reflect a number of concerns as identified by the Secretariat related, *inter alia*, to the management and decision structure, the identification of training needs and

clarification of the budget. It was further recommended that attention be given to the issue of illegal movements and training border inspection posts to deal with this issue.

STDF 178: Market access for kava from Vanuatu

32. **The Working Group decided not to fund this project.** The Working Group agreed that the project had merit and recognised the importance of the problem being addressed. However the project was highly technical in nature and not a typical STDF intervention. It was recalled that concerns had been expressed in relation to the toxicity of kava products and that a WHO study on this issue had not yet been completed. It was felt that the completion of a proper risk assessment was an important first step to be concluded. Concern was also expressed as to whether or not developing an appellation of origin system for kava was an appropriate direction to take, particularly given the doubts over toxicity. The Working Group acknowledged that the proposal was well-written and instructed the Secretariat to provide the applicants with suggestions on how to move forward with the proposal. One suggestion in this regard was to look at the necessary scientific evidence required for the development of Kava standards in the Codex process.

STDF 113: Strengthening SPS controls in Burundi

33. **The Working Group approved the project,** but noted that it had not been designed specifically for STDF funding. It was recommended that the project should be recommended for funding by a specific bilateral or multilateral donor. FAO, the UK and the EC all promised to follow up in this respect. It was agreed that the PPG consultant and the STDF secretariat would visit possible interested donors on the ground to facilitate the project being picked up by a donor. An additional US\$ 10,000 was made available for this purpose.

- Projects from partner organizations

STDF 171: African Phytosanitary Centre of Excellence

34. **The Working Group decided not to fund the project application.** A PPG was approved to assist the applicant refine the proposal and find a suitable donor.

35. Concerns were expressed in relation to this project's perceived lack of ownership by the beneficiary and the Phytosanitary Centre's potential long-term financial sustainability. These issues had been recognized in an independent evaluation of the proposal. Other drawbacks noted included the budgetary contribution from the beneficiary and the limited implementation time-frame (i.e. only one year). The Working Group considered that the project needed to clarify its position vis-à-vis the Inter African Phytosanitary Council (IAPC), other donor initiatives, such as a Norwegian project with the African Union, and other potential African centres of excellence.

36. The potential positive impact of the project was underlined. This positive impact was particularly recognized with respect to projects approved by the STDF, e.g. in Rwanda. Therefore, the Working Group decided to grant funding for a PPG in order to improve the proposal and establish contacts with donors who might be interested to fund the resultant project.

- Projects from or benefiting eligible organizations in non LDCs and/or non OLIEs

STDF 173: Strengthening capacity in assessing food control systems in developing APEC Member Economies

37. **The Working Group decided to fund the project.** The application was recognized as a valuable vehicle to obtain information on food safety control systems in the Asia Pacific region - and to raise the profile of the STDF in the region. Public summaries of the information prepared by the

project were requested. In approving the project, the Working Group decided that supporting letters would have to be received from all participating countries before the project could proceed.

STDF 180: Capacity building for implementation of the Codex Code of Hygienic Practice for Milk and Milk Products

38. The Working Group agreed with the Secretariat's recommendation to invite the applicant to re-apply for the next meeting given that an evaluation of an almost identical project was on-going (STDF 56) and that the STDF's operational rules had been tightened since the previous proposal had been submitted.

VI. DECISION ON PROJECT FINANCING AND PRIORITIZATION OF PROJECT FINANCING

39. The Working Group was informed that sufficient funds were available to implement the projects and PPGs approved.

40. The Secretary provided clarification on the financial situation of the STDF. He recalled that a statement of account was provided in Annex 2 of document STDF 176. It was noted that WTO had changed the way in which the STDF accounts were presented. Projects and PPGs were now entered in the accounts only after commitments had been contracted. Previously, projects and PPGs had been entered into the accounts after approval of the commitment by the Working Group. The statement of account thus showed two balances for the STDF accounts: an actual balance on the basis of contracted commitments and a projected balance on the basis of approved commitments. The Secretary recalled that the Secretariat would report to donors on the STDF financial situation in 2006 by the end of March.

41. Some participants at the Working Group requested that the STDF secretariat also produce budget projections on a three-year rolling basis. Concern was expressed that STDF funds were being reserved for projects and PPGs to the potential detriment of securing sustained funding for a strengthened Secretariat as foreseen in the Medium Term Strategy. It was agreed that the two upcoming "L" posts should be included in the proposed budget for 2008. There was further comment that the Secretariat should foresee a further expansion in numbers beyond 2007 with up to an additional six posts.

42. The Working Group reviewed progress towards implementation of the Medium Term Strategy, which called for multi-annual funding of US\$ 5 million. The Secretary noted that contributions had been received from Denmark and the US, multi-annual commitments covering 2007 contributions had been signed with Sweden and Germany, and that discussions were on-going with the UK, Canada and the European Commission on funding contributions. In total, these contributions amounted to approximately CHF 3.1 million.

43. The Working Group agreed the need to hold a pledging conference to ensure the \$5 million target was attained. It was agreed that this pledging conference should build on the momentum generated by the new Medium Term Strategy. The Working Group recalled that donors were currently in the process of allocating funds and that any such event should be organized in the first half of this year. The Secretariat was requested to explore options including a separate STDF event during the next SPS Committee meeting in June 2007 and publicity at forthcoming Aid for Trade conferences. The Working Group welcomed the EC's suggestion to publicize the STDF more broadly among its 27 member States.

VII. INFORMATION ON PARTNER AND DONOR ACTIVITIES

44. The International Trade Centre (ITC) introduced its overview of technical assistance activities in the SPS area (document STDF 181).

45. The EC made reference to its statements made in the SPS Committee meeting. Under the 10th European Development Fund (EDF), running from 2008 to 2013, an amount of Euro 23 billion would be made available for technical assistance, and SPS measures would feature prominently. It also announced the start of a Euro 30 million food and feed programme by the end of 2007. Finally, the EC would provide funds (Euro 3.5 million) to the African Union to assist developing countries attend meetings of the SPS Committee, Codex, OIE and IPPC.

46. The Secretariat also reported on a parallel initiative funded by the UK's DFID which would assist southern African countries attend meetings of the SPS Committee, Codex, OIE and IPPC.

VIII. OTHER BUSINESS

47. The Working Group discussed the issue of whether the STDF should fund projects that focus on animal welfare and agreed that such projects would only be eligible for funding if animal welfare issues were addressed as part of a broader SPS strategy.

48. The World Bank reminded the Working Group of its earlier suggestion to publish an annual joint publication which could significantly raise the profile of the STDF. The Secretariat welcomed the suggestion and referred to the Working Group meeting in October 2006 where it was decided that the Working Group would revert back to this idea once progress had been made in implementing the Medium Term Strategy.

49. Canada requested more timely distribution of documents. The UK and others requested the Secretariat to give more thought to publicity materials. FAO also requested that the WTO make the link to the STDF website more prominent on the WTO SPS website. The Secretariat acknowledged these requests.

50. It was agreed that the next meeting of the Working Group would be held on 30 June 2007, immediately following the next SPS Committee meeting.

ANNEX I
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