

STDF MEDIUM-TERM STRATEGY (2012-2016)

1. This Medium-Term Strategy sets out the principles and strategic priorities that will guide the work of the Standards and Trade Development Facility (STDF) and the use of its resources over the next five years, based on the results-based management approach. As such, it serves as a general framework and roadmap for the STDF partners, other STDF members and beneficiaries. The overall goal, purpose and strategic results of the STDF are summarized in a logical framework (Annex 1). Details related to the activities and outputs to accomplish these results will be defined in annual work plans and budgets. The Secretariat will report on the operation of the Facility to the STDF Working Group and in annual reports. The STDF will also report regularly to the WTO Committee on Sanitary and Phytosanitary Measures (SPS Committee), which brings together Geneva-based delegates and national SPS experts from all Members of the WTO.

2. The new strategy builds on the results of STDF's previous five-year strategy (2007-2011), which was successful in putting greater emphasis on information sharing and coordination in the supply and receipt of SPS-related technical cooperation, as well as conclusions and recommendations of external evaluations of the Facility.¹ It has also benefited from broad consultations across a wide spectrum of SPS stakeholders at different levels, which confirmed STDF's important role in the area of SPS-related technical cooperation, both as a coordinating and financing mechanism. These consultations revealed in particular the need to: (i) promote increased collaboration and interaction among STDF partners, donors, recipients and other relevant organizations in the provision and delivery of SPS-related technical cooperation; and (ii) further strengthen the STDF as a "knowledge platform" for information exchange, sharing experiences, and the identification and dissemination of good practice.

A. BACKGROUND TO THE STDF

3. The STDF grew out of a joint communiqué issued by the Heads of the Food and Agriculture Organization of the United Nations (FAO), the World Organisation for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the World Trade Organization (WTO) at the Doha Ministerial Conference in November 2001.² In the communiqué, the five organizations agreed to jointly explore new technical and financial mechanisms for SPS coordination and resource mobilization and to build alliances between standard setting bodies and the implementing and financing agencies so as to ensure the most effective use of technical and financial resources.

4. The five organizations formally established the STDF in August 2002 as a partnership and trust fund with three years of start-up financing from the World Bank and the WTO. In 2005, membership of the STDF was expanded to include donors and representatives of developing countries. The STDF is funded through voluntary contributions to the trust fund established under the financial regulations and rules of the WTO. The WTO houses and administers the STDF Secretariat and provides the Secretary to the STDF from its regular budget. Detailed information about the organization and operation of the Facility is contained in the STDF Operational Rules.³

¹ External evaluations of the STDF were carried out in December 2005 (STDF 76 add.1) and December 2008 (STDF 248). The next external evaluation of the STDF is scheduled to take place in 2012. Its conclusions and recommendations may inform a revision of this Medium Term Strategy where appropriate.

² Document WT/MIN(01)/ST/97.

³ Document STDF 139 rev.3 (or any subsequent version as agreed by the STDF Policy Committee).

B. STDF VISION, MISSION AND MANDATE

5. The STDF is a global partnership that supports developing countries in building their capacity to implement international sanitary and phytosanitary (SPS) standards, guidelines and recommendations as a means to improve their human, animal and plant health status and ability to gain or maintain access to markets. The impact that SPS measures can have on access to markets is of particular concern where expanding and diversifying exports of food and agricultural products are a key element of national development plans and poverty reduction strategies. Moreover, the reduction of pest and disease burdens, and improved food safety, has a key role to play in raising agricultural production, reducing the prevalence of food-borne diseases, increasing food availability, and the protection of the environment. Hence, building the SPS capacity of developing countries has important public and environmental health benefits and can help in contributing to the achievement of the Millennium Development Goals. Efficient and effective SPS control systems are a global public good.

STDF's vision:

Improved SPS capacity in developing countries supports sustainable economic growth, poverty reduction, food security and environmental protection

STDF's mandate is to:

- *increase awareness, mobilize resources, strengthen collaboration, identify and disseminate good practice; and*
- *provide support and funding for the development and implementation of projects that promote compliance with international SPS requirements*

The STDF is committed to the Paris Principles on Aid Effectiveness and to achieving the Millennium Development Goals

C. PARIS PRINCIPLES AND INTEGRATION OF SPS ISSUES IN THE BROADER DEVELOPMENT AGENDA

6. Central to the mandate of the STDF is the application of the Paris Principles on Aid Effectiveness in the design and implementation of SPS capacity building initiatives. This includes the assessment and prioritization of SPS needs using existing tools, attention to national ownership and absorptive capacity of beneficiary countries, encouraging public and private sector participation, ensuring that activities are transparent, connected and in sequence, linking the development of skills to practice, and strengthening management capacity and managing for results. Where possible, technical cooperation should take a "value chain" approach, looking at genuine market opportunities and constraints, in order to target assistance to areas where it will have the greatest impact on trade performance.

7. SPS constraints cannot be considered in isolation from broader economic development needs. Non-compliance with SPS requirements is typically one of a number of competitiveness challenges faced by developing country exporters, alongside issues related to *inter alia* transportation, infrastructure, high freight rates and utility costs, banking and investment climate, compliance with other public or private standards, etc. Addressing SPS constraints should therefore go hand-in-hand with other measures to improve supply-side constraints in order for exports to be economically viable. In this regard, continued collaboration with wider trade capacity building programmes under the Aid for Trade initiative, such as the Enhanced Integrated Framework (EIF), will be essential.

8. SPS constraints should also be better integrated with other areas of development cooperation, such as agricultural development, private sector development and environmental protection. Capacity

building programmes and initiatives in these areas pose opportunities in terms of mobilizing additional resources for strengthening SPS capacity but may also lead to duplication of efforts, gaps and/or sub-optimal use of scarce resources dedicated to SPS. Finally, integrating SPS issues into national development plans and budgets will be vital to ensuring longer-term sustainability of technical cooperation efforts. Enhancing the awareness in developing countries, notably at political and decision-making levels, about the importance of SPS compliance and the need for additional investments in this area will continue to be a central theme in STDF's work.

D. WHO BENEFITS FROM THE STDF?

9. The final beneficiaries of the STDF are public and private sector entities in developing countries seeking to improve their capacity to implement international SPS standards, guidelines and recommendations. The STDF will continue to dedicate at least 40 per cent of its project resources to beneficiaries in Least Developed Countries (LDCs) and other Low Income Countries.⁴ In the STDF, beneficiaries are represented by selected experts from developing countries with knowledge in the areas of human, animal and/or plant health, or SPS market access issues more generally.

10. In addition, the STDF brings together the collective expertise and skills of its five partners and its donors. This includes the participation of the standard-setting organizations designated as reference bodies by the WTO SPS Agreement in their own right, as well as through the involvement of their parent organizations. The STDF also engages regularly with other organizations and initiatives involved in the provision of SPS-related technical cooperation.⁵ As a consequence, partners, donors and other organizations and initiatives also directly benefit from the work of the STDF, notably in terms of information exchange, sharing experiences and the identification, dissemination and replication of good practice. The final beneficiaries indirectly benefit from better and more effective coordination among partners and donors in this field.

E. STRATEGIC RESULTS⁶

11. To contribute to the overall goal and purpose of the STDF, three strategic results ("outputs") will be pursued over the next five years in a coordinated and mutually reinforcing manner. In doing so, it is recognized that the need for better and more effective coordination among providers of SPS-related technical cooperation is the "raison d'être" of the STDF, leading to enhanced collaboration, well-designed SPS-related proposals and improved performance of beneficiaries of STDF-funded projects. This coordination role will remain at the heart of STDF's work over the next five years.

a) **Enhanced collaboration on SPS-related technical cooperation**

12. The STDF will further develop its role as a "knowledge sharing platform". Within this context, the STDF Working Group will remain an important forum for discussion of past, ongoing and planned SPS-related technical cooperation programmes and initiatives. Partners, donors, other providers of technical cooperation, as well as beneficiaries, will share information on their activities in advance of the meetings to facilitate dialogue and discussion. By facilitating timely communication on activities, the STDF will encourage strategic collaboration among technical cooperation providers and enhance coordination of efforts.⁷

⁴ Corresponding to the budget of strategic result areas 2 and 3.

⁵ Organizations and initiatives that share information on their SPS-related technical cooperation activities in advance of Working Group meetings may attend the meetings in an observer capacity. The STDF also engages with a wide range of other stakeholders on a case-by-case basis, in particular through its project development and funding work, as well as through their involvement in other STDF activities and events. This includes international and regional organizations, partnerships, universities and research institutes, etc.

⁶ The order in which the strategic results (outcomes) are listed does not reflect an order of importance or priority.

⁷ The Working Group will meet at least two times per year, ideally on the margins of the meetings of the WTO SPS Committee.

13. The Working Group will identify and discuss cross-cutting thematic topics of common interest to partners, donors and beneficiaries. As appropriate, joint consultations and other events will be organized at global and/or regional level to further address these issues, and may lead to the development and pilot testing of tools and guidelines for SPS practitioners and decision-makers. Examples of successful STDF work in the past relate to the use of economic analysis to inform SPS-decision-making, SPS risks and climate change, indicators to measure the performance of national SPS systems, regional and national SPS coordination mechanisms, and public-private partnerships in support of SPS capacity. Conclusions and recommendations of this work will be summarized in short briefing notes to encourage adoption and replication of good practices. Special emphasis will be placed on the development of case stories to illustrate the usefulness of specific approaches and tools for SPS capacity building, including in the form of audio-visual material.⁸

14. Increased use will be made of internet and other information and communication technologies, to maximize impact with limited resources. The STDF website will be updated and improved on a continuing basis, notably by making it more user-friendly and interactive. Open access will be provided to various documents on SPS-related technical cooperation (papers, training material, needs assessments, project documents, etc.) through a searchable, online information repository ("Virtual Library"). This system will enable the STDF to manage information more effectively, and enable other interested organizations and individuals to easily and quickly access this information, as needed. Increased use will be made of STDF's electronic distribution service to obtain and disseminate information. Electronic newsletters about STDF activities and initiatives of partners, donors and other organizations will be issued on a regular basis.

15. The STDF will continue to participate in external events to disseminate information about the STDF and its work, and promote coordination and coherence in the delivery of SPS-related technical cooperation. In particular, it will maintain strong collaboration with the EIF in the preparation, validation and update of Diagnostic Trade Integration Studies (DTIS), as well as project development. This collaboration is also important in view of achieving STDF's target to devote at least 40 per cent of project resources to LDCs and other Low Income Countries. The STDF will continue to liaise with relevant partnerships, programmes, networks and initiatives in other areas of development cooperation on a case-by-case basis. Examples include the Trade Facilitation Facility (TFF), managed by the World Bank, and the Comprehensive Africa Agriculture Development Programme (CAADP) established as part of the New Partnership for Africa's Development (NEPAD).

16. Annual surveys of STDF Working Group members and observer organizations are envisaged to obtain their views on the effectiveness of collaboration and application of good practice in SPS-related technical cooperation. The results of these surveys will form the basis for dialogue and discussion in the Working Group and inform the preparation of STDF's annual work plans outlining specific outputs and activities. They will also be useful for monitoring and evaluation purposes.

b) Improved capacity of beneficiaries to identify and prioritize SPS needs and formulate project proposals that are able to secure funding from STDF or external funding sources

17. Ownership is a basic requirement to make technical cooperation effective. However, it is frequently observed that beneficiaries of SPS-related technical cooperation play a limited role in the selection and development, and hence implementation, of projects. Developing countries often lack the skills required to assess SPS needs, set priorities and develop well-designed project proposals. The STDF Secretariat will continue to assist beneficiaries in overcoming these constraints and act as a "helpdesk" on SPS project development. In doing so, greater focus will be placed on ensuring that conclusions, recommendations and lessons learned in all areas of STDF work will have increased spill-over effects in terms of good practice in new proposals, and reinforce and complement the technical cooperation work undertaken by partners, donors, as well as other relevant organizations and initiatives. On technical SPS issues, the Secretariat will involve and consult the indicated STDF partner according to the subject being addressed by the proposal, as appropriate.

⁸ Building on the successful STDF film: "Trading Safely: Protecting health, promoting development".

18. Within the STDF, project preparation grants (PPGs) are the main mechanism to assist beneficiaries in the articulation of their SPS needs and the development of technically sound and sustainable project proposals. This may include the conduct of feasibility studies to assess the potential impact and economic viability of proposals in terms of expected costs and benefits. As part of the PPG process, beneficiaries are encouraged to apply existing capacity evaluation and prioritization tools in the area of human, animal and plant health to identify and prioritize their SPS needs, which may vary considerably across countries and regions.⁹ The application of these tools can provide a foundation for the development of projects, SPS action plans and wider donor strategies. An increased role is envisaged for partners, as well as other relevant organizations and initiatives involved in the provision of SPS-related technical cooperation, in the implementation of PPGs. The STDF particularly encourages and supports requests for PPGs from eligible beneficiaries in LDCs and other Low Income Countries.

19. Requests will be reviewed based on the accuracy, clarity and completeness of the information provided in the application form. In accordance with the Paris Principles on Aid Effectiveness, it is essential that applicants demonstrate national support for the proposed PPG as well as a good understanding of SPS issues and priorities in the country or region. The main criterion in awarding a PPG will be the likelihood that its implementation will result in a well-drafted project proposal with the potential to achieve sustainable and effective results. Resulting projects may receive funding from the STDF, or from other funding sources. The STDF Secretariat will promote coordination with donors and with other SPS-related capacity building initiatives during PPG development. Applicants will be encouraged to consult potential donors when developing and implementing PPG applications. Detailed information on PPG eligibility criteria and other requirements is provided in the STDF Operational Rules, the PPG application form and a Guidance Note for applicants.

20. The STDF Secretariat also reviews project proposals that are submitted to the STDF for funding and assists beneficiaries in improving them before consideration by the Working Group. Applications which are deemed of interest, but in need of substantial revision before consideration and approval, may be re-directed to the PPG process. Requests for project funding are reviewed in terms of project design and their technical soundness on the basis of the accuracy and completeness of the information provided in the application form, their fit with the objectives of the STDF and their potential to achieve sustainable and effective results. Information is normally required on the project's rationale and justification, its immediate objectives, outputs and activities, inputs and budget, project implementation and management issues, as well as reporting, monitoring and evaluation.

21. Finally, the STDF Secretariat may, in close consultation with its partners, accept to "peer-review" regional SPS-related projects and programmes initiated by donors and other organizations and initiatives involved in the provision of technical co-operation. External STDF reviews of these proposals will not only ensure that information on planned projects and programmes is widely shared at an early stage but also facilitate the application of good practice and the creation of synergies and increased collaboration among SPS-related technical cooperation providers.

22. Annual surveys of STDF PPG and project beneficiaries are envisaged to obtain their views on their capacity to identify and prioritize SPS needs and formulate project proposals that are able to secure funding. The results of these surveys will be reported and inform the preparation of STDF's annual work plans outlining specific outputs and activities. They will also be useful for monitoring and evaluation purposes.

c) Improved performance of beneficiaries of STDF-funded projects

23. Within the STDF, funds will be available to finance a limited number of projects, in line with beneficiary countries' priorities. The following type of projects will be given favourable consideration by the Working Group:

⁹ A recent STDF publication (2011) provides an overview of SPS-related capacity evaluation tools, including the OIE PVS and IPPC PCE tools.

- Projects relevant to the identification, development and dissemination of good practice in SPS technical cooperation, including projects that develop and apply innovative and replicable approaches;
- Projects linked to STDF work on cross-cutting thematic topics of common interest;
- Projects that address SPS constraints through regional approaches; and
- Collaborative and inter-disciplinary projects focused on the interface / linkages between human, animal and plant health and trade, and benefiting from the involvement of two or more partners or other relevant organizations.

More complete criteria are detailed in the STDF Operational Rules.

24. In addition to establishing linkages to STDF's work in other areas, projects may generate important information on other on-going SPS-related technical cooperation activities, ensure continued developing country interest in the STDF, and give the Facility more visibility on the ground. Funding for projects will be available up to a maximum of US\$1 million per project over a three-year period. Beneficiaries will be required to meet part of the cost of project implementation, either through financial or in-kind contributions. The STDF particularly encourages applications from eligible beneficiaries in LDCs and other Low Income Countries. Detailed information on project eligibility criteria and other requirements is provided in the STDF Operational Rules, the project application form, and a Guidance Note for applicants.

F. FUNDING AND STAFFING

25. To achieve the strategic results set out above, there is a need for predictable and sustainable funding over the implementation period of the Medium Term Strategy (2012-2016), ideally in the form of multi-annual commitments. To implement the Medium-Term Strategy, the annual target level of funding of US\$5 million will be maintained.¹⁰ In terms of staffing, the Secretariat currently comprises four professional staff and one support staff member, in addition to the Secretary of the STDF.¹¹ The current funding and staffing levels of the Facility will be reviewed as part of the next external evaluation of the Facility in 2013.

¹⁰ The annual target level of funding established under the previous strategy (2007-2011) was also US\$5 million. The average annual funding received during this period was US\$ 4,665,389.

¹¹ The Secretary of the STDF is a regular WTO staff member, while other STDF staff is funded directly by the Trust Fund.

ANNEX I: LOGICAL FRAMEWORK OF THE STDF (2012-2016)¹²

	Indicator	Baseline	Target	Sources of Verification	Assumptions
Goal					
To contribute to sustainable economic growth, poverty reduction, food security and environmental protection in developing countries					
Purpose					
To improve the human, animal and plant health status of developing countries and their ability to gain and maintain access to markets					
Strategic results (outputs)					
1. Enhanced collaboration in SPS-related technical cooperation	<ul style="list-style-type: none"> No. of joint activities initiated among STDF WG members and observer organizations, as facilitated by STDF No. of SPS-related initiatives that apply STDF tools, guidelines, briefing notes, etc. Level of satisfaction of STDF WG members and observers with effectiveness of collaboration and application of good practice in SPS-related technical cooperation Increase in traffic to STDF website and in amount of information downloaded 	<ul style="list-style-type: none"> 1st year of survey Information on website traffic and downloads on 1 January 2012 	<ul style="list-style-type: none"> Minimum of two joint activities per year Minimum of five initiatives per year applying STDF tools, guidelines, briefing notes, etc. More than 50% of WG members and observers are satisfied with effectiveness of collaboration and application of good practice 5% annual increase in website traffic and downloads 	<ul style="list-style-type: none"> Reports of partners, development partners, beneficiary governments, etc. STDF documents for Working Group, SPS Committee, etc. STDF website Annual survey of beneficiaries and development partners 	<ul style="list-style-type: none"> Ongoing interest, engagement and support of partners, donors, beneficiaries, and other relevant programmes to address SPS capacity needs, share information and documentation, and participate actively in STDF. Funding available in STDF Trust Fund and STDF Secretariat fully staffed and operational Beneficiaries and development partners use information viewed and downloaded from STDF website Other necessary conditions exist (i.e. political stability, national commitment to address SPS constraints, government support, allocation of resources, etc.

¹² The work of the STDF will be guided by its overall goal and long-term purpose. Indicators at the goal and purpose level are not included in the logical framework, as direct attribution at these levels cannot be established.

	Indicator	Baseline	Target	Sources of Verification	Assumptions
2. Improved capacity of beneficiaries to identify and prioritize SPS needs and formulate project proposals that are able to secure funding from STDF or external funding sources	<ul style="list-style-type: none"> No. of SPS-related project proposals that have applied capacity evaluation and prioritization tools No. of projects resulting from STDF PPG / project applications that are funded by STDF or external funding sources Level of satisfaction of STDF PPG / project beneficiaries on improvements in their capacity to identify and prioritize SPS needs and formulate project proposals 	<ul style="list-style-type: none"> Baseline used by STDF partners in relation to the use of their capacity evaluation tools Four projects per year funded by STDF or external funding sources 1st year of survey 	<ul style="list-style-type: none"> Target used by partners in relation to the use of capacity evaluation tools Four projects per year funded by STDF or external funding sources More than 50% of beneficiaries are satisfied with improvements in their capacity to identify and prioritize SPS needs and formulate proposals 	<ul style="list-style-type: none"> Reports of partners, development partners, beneficiary governments, etc. STDF documents for Working Group, SPS Committee, etc. STDF website Annual survey of beneficiaries Evaluations of training events Documents related to individual STDF PPGs and projects (mission reports, project proposals, etc.) 	<ul style="list-style-type: none"> As under 1. Adequate number of PPG and project applications received and approved Donors ready to fund projects developed through the STDF Specific assumptions of relevance to individual PPGs
3. Improved performance of beneficiaries of STDF-funded projects (as per specific project objectives).	<ul style="list-style-type: none"> Achievement of specific targets for individual projects Rating of projects by external evaluator 	<ul style="list-style-type: none"> Situation at start of particular project 	<ul style="list-style-type: none"> 70% of specific targets achieved for each individual project 	<ul style="list-style-type: none"> Project documents Ex-post evaluation reports 	<ul style="list-style-type: none"> As under 1. Adequate number of eligible project applications received and approved Beneficiaries able to identify and prioritize SPS needs Specific assumptions of relevance to individual projects