

### SUMMARY REPORT OF THE STDF WORKING GROUP MEETING 12-13 OCTOBER 2015 WTO, GENEVA

#### 1 ADOPTION OF AGENDA

- 1. The meeting was chaired by Dr Kazuaki Miyagishima (WHO).
- 2. Members agreed to move the discussion of project STDF/PG/535 (under item 6 of the agenda) from 13 to 12 October as requested by the WHO. They also agreed to include an item: "Exchange of information of relevant SPS activities and initiatives of partners, donors and observer organizations", at the end of agenda item 5. The agenda was adopted with these two amendments.
- 3. A list of participants is provided in Annex 1.

#### 2 OPERATION OF THE FACILITY

### (a) Selection of Working Group vice-chairperson for 2015

4. Mrs Sun Biney (Sweden) confirmed her interest and willingness to serve as vice-chairperson in 2015 (and hence chairperson in 2016). Members agreed to her selection. Mrs Biney accepted her nomination and thanked members for their trust and support.

### (b) Selection of Working Group vice-chairperson for 2016

5. The WTO suggested FAO to consider chairing the Working Group in 2017 (and hence act as vice-chairperson in 2016). The FAO expressed an interest and would confirm its availability following internal discussion and clearance. Members agreed to nominate a new vice-chairperson at the next meeting in March 2016.

## (c) Nomination of three SPS experts from developing countries (2016-2017)

- 6. On behalf of the entire Working Group, the Chairperson expressed its gratitude to three outgoing developing country experts whose two-year term was coming to an end, i.e. Mrs Carmela Castillo (Panama), Mrs Stella Oraka (Nigeria) and Mr Batsukh Zayat (Mongolia).
- 7. The Secretariat invited members to submit names and CVs of potential candidates to serve as new experts in 2016-2017, for selection by the incoming Working Group chairperson, in accordance with the STDF Operational Rules. It was clarified that in principle formerly appointed experts could be nominated again. The deadline for submission of candidates was set on Friday 6 November 2015.

### (d) Implementation of outstanding recommendations of STDF mid-term review

- 8. The Secretariat referred to two outstanding actions in the "Action Plan to implement the recommendations of the STDF mid-term review", agreed by the Working Group in 2014, namely: (2.2) identify a speaker to make a presentation to the Working Group on One Health (FAO/OIE/WHO); and (2.4) perform an analysis of user data of the Virtual Library and discuss the results.
- 9. Members agreed to conduct the analysis of user data of the Virtual Library towards the end of 2016, since the system is only fully operational from October 2015. The FAO, OIE and WHO reaffirmed their commitment to continue their discussions to jointly organize a presentation of their work on One Health at the next meeting in March 2016.

### (e) Update of PPG/project application formats and guidance document

- 10. The Secretariat introduced revised PPG and Project Application Forms, as well as a revised Guidance Note for Applicants, which specifically include cross-cutting gender and environmental aspects, as recommended by some donor members. While the majority of members welcomed the suggested changes, some members expressed concern that the additional criteria might create an additional burden to applicants and could move attention away from the main focus of the STDF.
- 11. Members considered that the work of STDF has to be aligned with donors' objectives that identify these cross-cutting aspects as components of high importance. Moreover, members noted that it is useful to identify the impact of STDF projects on gender equality and environmental protection, and that gender and environmentally-neutral projects would not be unfavourably reviewed compared to projects containing these cross-cutting elements.
- 12. It was suggested to extend the gender definition by not limiting it to women and women's rights and to amend the proposed text by referring to "different/all genders" instead of "women". Members then adopted the documents.

## (f) Update of project evaluation guidelines

13. The Secretariat introduced revised project evaluation guidelines, elaborated in accordance with the new STDF Monitoring and Evaluation (M&E) Framework. It was further explained that the ongoing review of the STDF Operational Rules, when completed, and which includes a discussion on end-of-project/impact evaluations of STDF projects, may lead to a further revision of the guidelines. Members agreed to the proposed revisions in the document, subject to a further revision at the conclusion of the ongoing review of the STDF Operational Rules.

## (g) Review of STDF Operational Rules (update by e-working group)

- 14. The WTO briefed members on progress in the review of the STDF Operational Rules. An electronic working group, composed of members who provided specific comments on the current Operational Rules, was established to work on the review. Comments received had been compiled into a single document and had been circulated again for a second round of comments. Only few members had provided additional comments so far. Members of the e-working group would meet on 14 October 2015 at the WTO to continue the discussions.
- 15. The Chairperson thanked the WTO and other members of the e-working group for the efforts undertaken to date and emphasized the importance of completing the review process rapidly.

### (h) Implementation of STDF M&E framework (discussion on survey questionnaires)

- 16. The Secretariat briefly introduced three draft surveys, which were prepared and circulated prior to the meeting for discussion in the Working Group: (i) a survey for Working Group participants (partners, donors, developing country experts and observers); (ii) an end-of-project survey; and (iii) a PPG survey. These surveys were prepared in line with the new STDF M&E Framework.
- 17. Members agreed to adopt the survey for Working Group participants, with some minor modifications, to be circulated in November 2015. The results of this survey would be presented and discussed at the next meeting in March 2016 and feed into the 2015 STDF Annual Report.
- 18. Members requested clarification on the purpose of the end-of-project and PPG surveys, signalling doubts about their effectiveness and usefulness at this stage. They decided that the project and PPG surveys would remain on hold until new Operational Rules would be in place, including clear guidance on end-of-project and impact evaluations, in order to avoid possible duplication.

### (i) Staffing and financial situation

19. The Secretariat reported on the financial situation of the Facility. Assuming that expected additional contributions will be received before the end of the year, the STDF was close to meeting its annual funding target level of US\$5 million. Overall, since its inception, the STDF has received

US\$46 million in financial contributions. The trust fund currently showed a slight positive balance of US\$370,000 (taking into account contracted and un-contracted commitments). The Secretariat thanked donor members for their continued support and stressed that additional funds will be necessary to continue approving and implementing new projects in 2016 and beyond.

20. The Secretariat acknowledged the support of STDF's current intern, Mrs Maria Strigunova.

# 3 IDENTIFICATION AND DISSEMINATION OF GOOD PRACTICE TO SUPPORT SPS CAPACITY BUILDING (OUTPUT 2)

### (a) SPS Market Access Prioritization (SPS-MAP) - finalisation of guide

- 21. The Secretariat reported on progress in finalizing the SPS Market Access Prioritization guide in a more user-friendly format, as part of the 2015-16 Work Plan. The Secretariat noted that the work is addressing recommendations provided by STDF partners and developing country experts at a workshop held in 2013. It further noted that the revised guide would focus on export-related SPS investments and include practical stories from developing countries that have used this framework. The revised guide will be shared with a small peer review group, including STDF partners and developing country experts familiar with the framework, for comments prior to its finalization. It is expected that the revised final version will be available by the end of January 2016.
- 22. The Secretariat mentioned that COMESA facilitated the use of the SPS MAP framework in Zambia in September 2015, in collaboration with USDA. Reportedly, COMESA is keen to make greater use of this approach to prioritize export-focused SPS investments in larger agricultural/trade planning processes in its member states. Malawi also recently re-used the framework to prioritize export-related investments linked to trade facilitation.
- 23. Mrs Maputa Kamulete (developing country expert) pointed to the benefits of the ongoing prioritization work using this framework in Zambia. Mrs Oraka (developing country expert) expressed her enthusiasm to apply this framework to help prioritize export-focused SPS investments in Nigeria. USDA indicated that it looks forward to finalization of the guide, which would support its wider dissemination and use. SIDA noted that it was exploring options to apply the framework in Liberia. FAO reiterated the potential value of a multi-criteria framework to inform decision-making processes, and referred to FAO's complimentary work to develop guidance for risk-managers to prioritize food safety needs. A number of members offered their assistance to peer review the final draft.

### (b) Implementation of SPS Measures to Facilitate Safe Trade

- New STDF Film: Safe Trade Solutions
- 24. The Secretariat showed the new STDF film "Safe Trade Solutions", which illustrates what Chile, Colombia and Peru are doing to protect health while facilitating safe trade. The Secretariat expressed thanks to the Inter-American Development Bank for helping to identify stories and facilitate access to strategic locations and relevant stakeholders. The film was launched at the 5th WTO/OECD Global Review of Aid for Trade and subsequently shown in the WTO SPS Committee, the WTO Public Forum, a pan-African SPS Conference in Ethiopia as well as several other national and international events. Members welcomed the film and proposed to scale up efforts to disseminate it at a broader scale.
- 25. The Secretariat also provided information on the next film to be produced, in accordance with the STDF 2015-16 Work Plan. The aim of this film will be to illustrate how SPS measures are applied throughout different levels of a global value chain, possibly cocoa. Members welcomed this idea and The Netherlands offered to share its expertise in this regard. Some members suggested also considering products of animal origin as a theme for a next film to ensure a holistic overview of all three SPS sectors.
  - Global Review of Aid for Trade plenary session
- 26. The Secretariat briefed members on the results of the plenary session, coordinated by the STDF, during the 5th Global Review of Aid for Trade in July 2015, which included participation of

the Director-General of FAO, the Director-General Elect of OIE, the Senior Director (Global Practice Trade and Competitiveness) of the World Bank, as well as high-level representatives of the public and private sector. The event was well-attended by over 150 participants. Panellists debated about the importance of effectively implementing robust science-based SPS controls, without impeding the flow of trade. The discussion also brought up several questions on private standards and their role in international trade. Members expressed satisfaction with the event organized.

- Final report Jennifer Rathebe (Malawi, South Africa, Zambia)
- 27. The Secretariat introduced the final report on Southern Africa (Malawi, South Africa and Zambia), prepared by Mrs Jennifer Rathebe. As requested by the Working Group, the report was distributed in July 2015. The Secretariat noted that the consultant had made substantial efforts to address, wherever possible, the comments provided by STDF partners and officials in the three countries. The Secretariat was satisfied that the revised report was much improved and encouraged to hear how some countries are already implementing some of the recommendations.
- 28. Members agreed that the revised report reflected significant improvements. The World Bank noted that the report would be further enhanced through a few factual corrections in the Zambia chapter and offered to provide these in writing. FAO indicated that the revised document was more balanced and that the conclusions were generally aligned with FAO's work. Some recommendations, however, appeared as slightly simplistic solutions to rather complex problems. It highlighted the importance of ensuring an appropriate level of protection and noted that a new Food Safety Import Manual would soon be available. OIE observed that the report does not address veterinary controls in great detail. Mrs Kamulete (developing country expert) reported how some recommendations were being implemented in Zambia (e.g. online provision of information on phytosanitary requirements, forms and fees, improved collaboration with customs, risk-based inspection based on ISPM 32, etc.). WTO expressed satisfaction that some countries are implementing the report's recommendations, which points to the value of the work. The Chairperson requested the Secretariat to work with the consultant to incorporate the aforementioned factual corrections and to post the final report on the STDF website.
  - Preparation of STDF briefing note
- 29. The Secretariat introduced the draft STDF briefing note on "Implementing SPS Measures to Facilitate *Safe* Trade". This note was prepared by the Secretariat and circulated to members (in hard copy) at the start of the meeting. The Secretariat clarified that the note summarized the main conclusions, recommendations and lessons learned of STDF's work in this area and also drew upon relevant work by STDF partners and discussions in the STDF session during the Aid for Trade Global Review.
- 30. Members generally provided positive feedback on the note. Some partners requested the Secretariat to use the exact language in the SPS Agreement. The WTO viewed that the note effectively paraphrases the Agreement and emphasized that trade facilitation is about reducing trade costs and processing times, *without* reducing health protection. The Chairperson requested members to provide further comments by Friday 6 November 2015 to enable the Secretariat to finalize and circulate the note. The WTO acknowledged that the note concerned a sensitive topic but considered that in future the Secretariat should be able to produce briefing notes without lengthy commenting periods.
- 31. The note also stimulated a wider discussion on the role of STDF in information exchange and communication. Some members (Sweden, EC) emphasized the importance of developing a communication strategy/plan and recommended strengthening the Secretariat's capacity in this regard by engaging a communications officer or consultant. FAO cautioned against developing an extensive communications strategy and viewed that soliciting communications expertise on a needs basis may be most practical.

## (c) Joint EIF/STDF study on SPS issues in Diagnostic Trade Integration Studies (DTIS) presentation and discussion

32. The Secretariat, in collaboration with the Enhanced Integrated Framework (EIF) Secretariat, introduced the draft STDF/EIF study on the coverage of SPS issues in the DTIS. The objective is to assist in mainstreaming SPS issues in trade development policies and strategies to mobilize

resources to overcome supply-side SPS constraints in Least Developed countries (LDCs). The study was carried out by an international consultant (Mrs Ambra Gobena). It included a review of a wide array of EIF documents such as the EIF compendium, DTIS concept notes and other relevant documents, as well as analysis of all DTIS and DTIS updates of 20 selected LDCs. Three countries were selected for field visits (Tanzania, Senegal and Cambodia). In addition to the analysis, stakeholders (national authorities, international organizations, previous experts involved in DTIS, etc.) were interviewed based on a set questionnaire.

- 33. Key findings revealed no consistency in the coverage of SPS issues across sub-sectors in DTIS. Most of the 20 DTIS and DTIS updates refer to SPS issues and their role in trade development but the representation of the three SPS sub-areas (food safety, animal and plant health) is sporadic and inconsistent. The report also highlighted a mismatch between the inclusion of SPS issues in DTIS and their prioritization in Action Matrices. The report provided a number of recommendations on how to better align DTIS and SPS processes. Operational recommendations focused on: (i) more comprehensive EIF guidance on how to carry out SPS assessments during the elaboration of DTIS (including advice on the range of SPS stakeholders to be consulted at the national level); (ii) clarification of SPS concepts (as opposed to TBT and quality infrastructure); (iii) possible linkages with sectors others than agriculture (such as tourism and the environment); and (iv) systematic consultation of existing SPS needs assessments, e.g. PVS pathway and PCE tool reports. Higher level recommendations focused on: (i) exploring ways to enhance participation of relevant international organizations, i.e. FAO, IPPC, OIE and CODEX in the EIF/DTIS process; (ii) enhancing countries' capacity to develop action plans and project proposals to address SPS needs identified in the DTIS, including through STDF; and (iii) encouraging development partners to better align their programmes with DTIS recommendations.
- 34. Members welcomed the draft report. The World Bank underscored the importance to implement recommendations of the study and to summarize them in a separate EIF/STDF policy brief. It further considered that the format in which SPS issues are addressed in DTIS should not be restricted to a specific chapter, as long as the issues are adequately addressed. Recommendations should not be overly prescriptive. Other members commented that some basic explanation of the EIF (and STDF) processes in the study would be useful for non EIF/STDF readers. Targeting the recommendations to a specific audience would also be useful.
- 35. Members agreed on an additional comment period and set a deadline of Friday 13 November 2015. The Secretariat explained that the study will be further revised, based on the comments received, and issued in January 2016. The final report will be disseminated through the EIF and STDF networks. In parallel, a policy brief, capturing the main findings and recommendations, would be elaborated and published, as suggested by the World Bank.

### (d) Information dissemination

36. The Secretariat informed members that two STDF newsletters were prepared and published since the last Working Group. It referred to a list (attached to the Annotated Agenda) of meetings and events it had attended to inform stakeholders about ongoing STDF projects, thematic activities and new SPS capacity building activities. The Secretariat also reported on the now fully-functioning Virtual Library search mechanism.

### 4 NEEDS ASSESSMENTS, FEASIBILITY STUDIES AND PROJECT PROPOSALS (OUTPUT 3)

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

37. The Secretariat introduced the PPG applications not tabled for consideration by the Working Group. The applications and the reasons for not tabling them were listed in Tables 2 and 3 in document STDF/WG/Oct15/Review.

## (b) Consideration of PPG applications

# STDF/PPG/375: Development of a project for the establishment of a National SPS Strategy in Togo

38. Members approved this request for funding. They recognized the urgent need of the country to develop a national strategy that allows it to build an effective SPS system capable of supporting

the government's efforts to increase the volume of and diversify agricultural exports. They recommended that, during PPG implementation, a focus should be placed on food safety and on an assessing the main needs and results of past and current programmes in this area.

## STDF/PPG/516: Cost Benefit Analysis for Establishing a Foot and Mouth disease Free Zone or Compartment in Tanzania

- 39. Members agreed to fund a feasibility study related to the establishment of an FMD zone, subject to revising the PPG document in order to incorporate comments submitted by members. The OIE and FAO noted that for countries with extensive ruminant production systems, mixed with free-range wildlife, creating and maintaining FMD-free zones can be very expensive and would require wildlife-proof fencing. Therefore, apart from monetary costs, the cost/benefit analysis should factor in the environmental impact of creating such a zone. The World Bank supported comments made by the OIE that the analysis should explore target products and export markets and whether an FMD-zone would relieve export-related constraints.
- 40. Mr Batsukh Zayat (developing country expert) noted that the focus should not only be based on cost/benefit but rather on controlling and eradicating the disease. He further noted that the control of FMD is not only important for the country but for the region in general.
- 41. Members agreed to allocate up to US\$50,000 towards the feasibility study, in order to be able to contract more than one expert to carry out the multifaceted study. The OIE and FAO agreed to support the Secretariat in identifying appropriate experts for this task. Lastly, it was agreed that the feasibility study should be submitted to the Working Group, which would then consider whether additional STDF funding should be allocated to project development.

# STDF/PPG/534: Preparation for a project proposal to develop traceability and identification of livestock in Mongolia

42. Members recognized the importance of animal identification and traceability in Mongolia and approved this PPG, subject to some conditions. They agreed on the need to fully engage the Department of Veterinary and Animal Breeding (DVAB) in the PPG to ensure ownership and sustainability of any animal identification and traceability system to be developed and implemented under the resulting project. The OIE and FAO recommended using this PPG to develop a targeted "pilot" project for one "soum". Members further recommended learning from relevant past experiences in Mongolia and beyond, more clearly identifying potential export markets and SPS requirements, identifying incentives for farmers to participate, making use of FAO's draft Guidelines on animal recording systems, ensuring synergies with other relevant projects, and engaging an international consultant. There was agreement for the Secretariat to work with the applicant to review the budget and address the various issues raised in developing comprehensive Terms of Reference for this PPG, in cooperation with relevant STDF partners.

# STDF/PG/535: Spillover Effects of Export-Oriented SPS Technical Assistance on the Domestic Food Safety Situation

- 43. Members reiterated their interest in the topic of the study and its support to implement it within the framework of a project. However, it considered that the application is not yet sufficiently substantiated to be approved, particularly with regard to:
  - The scope of the work to be carried-out. This includes, inter alia, the type of projects to be analysed (over and above/not limited to STDF projects, including possibly nationally implemented programmes), the expected outcomes (tools and country workshops) and the type of spill-over effects to be considered.
  - Buy-in from key partners (FAO, WHO, World Bank) and consultation with relevant experts on impact assessment and indicators.
  - Lack of a provisional methodological framework as a starting point for the project. This includes possible indicators to be tested, the data collection approach and the field tests. A preliminary desk research is required for this purpose.

44. Members decided to approve this request as a PPG (STDF/PPG/535) and to allocate up to US\$75,000 to enable the applicant (Michigan State University) to conduct the required preparatory work and consultations and to reformulate the project proposal based on the findings. The Secretariat was instructed to prepare Terms of Reference for this PPG, in collaboration with key partners (FAO, WHO and World Bank) to ensure that concerns are duly addressed in the reformulated project proposal.

### (c) Overview of ongoing and completed PPGs

- 45. The Secretariat referred to document STDF/WG/Oct15/Overview, which provides an overview of the implementation status of all on-going PPGs.
- 46. The Secretariat reported on the completed STDF/PPG/400 in Malawi and explained how the Malawi Program for Aflatoxin Control (MAPAC) took stock of other ongoing practices and developed a national coordination system. The aflatoxin control program managed to promote inter-agency cooperation and sustain PPG activities to enhance the aflatoxin control methods. Stakeholders identified MAPAC's framework as a possible model for replication in the region. The Secretariat further mentioned the online fact sheet exceptionally created for STDF/PPG/400 on the STDF website to further share the results of the project. FAO informed members that it will share information on the PPG results during its upcoming mission to Malawi linked to UNIDO's food safety and nutrition campaign. The Secretariat encouraged members to further support the implementation of outstanding needs of the MAPAC project.
- 47. The Secretariat highlighted significant delays in implementation of STDF/PPG/377 in the Gambia and requested guidance from members on how to proceed with this longest outstanding PPG. Out of US\$56,000 transferred to FAO (as the IPPC had been tasked to implement the PPG), US\$39,177 remained unspent. The IPPC apologized for the delays and noted that a project proposal resulting from implementation of this PPG will be submitted shortly for consideration by the Working Group in March 2016. It was further agreed that if a project application is not submitted by the upcoming deadline, PPG funds will be returned to the STDF Secretariat.
- 48. The Secretariat reported on STDF/PG/457 entitled Global Veterinary Drug Database (GVDD). This PPG experienced delays and diverged from the implementation schedule. CABI, the implementing agency, had presented a prototype, a needs assessment and a project proposal at a meeting in Paris in November 2014, facilitated by OIE. During that meeting, FAO and WHO raised concerns on the methodology of the needs assessment and offered technical support to CABI in defining a new process for a solid needs assessment. Since then, CABI has contacted FAO and WHO multiple times to try to agree on the process for the needs assessment but due to multiple scheduling conflicts, it has not been possible for them to meet. FAO informed that a discussion between OIE, WHO and CODEX had taken place and identified a need for further consultations to resolve the concern over the robustness of the needs assessment. FAO committed to seek clarity among colleagues through further consultations and report on the proposed timeline to the Secretariat.

# 5 INFORMATION EXCHANGE AMONG PROVIDERS OF SPS CAPACITY BUILDING AND DIALOGUE AMONG RELEVANT STAKEHOLDERS (OUTPUT 1)

### (a) Presentations on e-certification in the SPS area

- 49. Mr Frans Van Diepen (Chairman of the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) introduced the Centre and its work in relation to e-Cert. UN/CEFACT was established as a subsidiary, intergovernmental body of the UNECE Committee on Trade. It serves as the focal point for trade facilitation recommendations and electronic business standards, covering both commercial and governmental processes. UN/CEFACT's objective is to support electronic trade globally in a simple and transparent way by using automated exchange of information (e-commerce). The Centre develops recommendations, standards and other products through public-private partnership including experts from the business community, government and academia who participate in various working groups. Mr Van Diepen presented the processes involved in electronic certification (e-Cert) and explained its overall benefits.
- 50. Mr Dmitry Godunov (UNCTAD) presented the Automated System for Customs Data (ASYCUDA). The ASYCUDA programme has existed for 30 years and has been implemented in 95

countries so far. He also introduced the newly created ASYCUDA electronic phytosanitary certification system (ASYCER). This system results from cooperation between the Dutch Ministry of Economic Affairs, UNCTAD's ASYCUDA Programme and Ethiopia. ASYCER was developed to provide two services: (i) submission, processing and issuance of e-phytosanitary certificates at the national level; and (ii) transfer of the e-phytosanitary certificate data across borders from the exporting country to the importing country. An analogy was used to explain the two concepts: e-CERT UNCEFACT specifications are used to harmonize the content of a letter while ACYSER is the postal service for that letter.

- 51. Mr Benno Slot (Dutch Ministry of Economic Affairs) presented information on the Netherlands' National Certification System (e-CertNL) and experiences in its implementation. The CLIENT programme, which oversees the e-CertNL, was created with the objective to do "Smarter Inspections by Smarter Communication". The CLIENT programme began in 2002 while the e-certification component began in 2010. Mr Slot shared examples of bilateral e-certification agreements in place and highlighted the paperless exchange system with China (which includes veterinary certificates) and with the US (which comprises food safety). The Netherlands issues about 600,000 certificates per year and since 2011 it has issued around 60,000 e-certificates.
- 52. Mr Walter Alessandrini (National Food Safety and Quality Service of Argentina (SENASA), Argentina) presented Argentina's online Phytosanitary Certification System. The main function of this system is to issue phytosanitary certificates. Since 2012, virtually all phytosanitary certificates are created through this system. However, to date Argentina does not exchange certificates electronically with any of its trading partners. The main constraint is that multiple bilateral arrangements are required to allow the exchange of e-certificates and negotiating these agreements is resource intensive (estimated to be around US\$ 50,000 each). He noted that in the COSAVE region only Chile is currently exchanging electronic certificates. He supported the IPPC proposal for the creation of an e-Phyto hub and a web-based generic system for the production of e-certificates (particularly for developing countries). In his view, the hub would be a cost-effective solution allowing developing countries to better participate in e-Phyto exchange and trade in general.
- 53. Following the presentations, updates were provided by the three sisters on standard setting activities for e-certification. Codex and OIE noted that they do not have a standard specifically covering electronic certification but that electronic exchange of certificates is part of their standards, which recommend the use of UN/CEFACT XML Schema. Codex informed the Working Group that the Food Import and Export Certification and Inspection Systems (CCFICS) will consider a discussion paper on electronic certification at its next meeting in Melbourne in February 2016. The IPPC noted that project STDF/PG/504 is a unique and novel proposal to help facilitate the implementation of Annex I of ISPM 12 for electronic phytosanitary certification. The purpose of this new information exchange system was to facilitate international trade for developing countries (who represent almost two-thirds of IPPC members). It highlighted that it was open and willing to engage and collaborate with all partners in the creation of the hub, including ASYCUDA.
- 54. Discussion took place amongst members on electronic SPS certification, its practical implementation, data exchange challenges, existing systems, and the contribution of e-cert to trade facilitation efforts made by countries. In response to questions from members, Mr Van Diepen noted that a hub is not the only solution. In principle, once you harmonize the content of the bilateral agreements to a single standard of exchange of information as business protocols, then there is no need for a hub and countries can communicate directly with each other. UNCEFACT aims to harmonize the content of the bilateral agreements. Mr Alessandrini, however, countered that the hub would serve as an enforcement mechanism towards harmonization.
- 55. Mr Slot noted that in his opinion the objective of information management is to skip the "man in the middle" and to have direct communication based on harmonized and standardized information and that UNCEFACT is already moving in this direction. Information liability and financial costs in relation to a hub could be high. Mr Slot acknowledged that a hub could be beneficial for developing countries. If countries would adopt and use a hub, then The Netherlands would exchange with the hub. Mr Godunov noted that in his opinion, there is a danger of creating multiple hubs for different purposes and that eventually you may need to create a "hub of hubs".

56. Members concluded that there is still a lack of understanding amongst SPS and trade practitioners regarding the implementation of e-certification. The Secretariat indicated that all four presentations would be made available on the STDF website.<sup>1</sup>

### (b) Discussion on future STDF work (output2)

- 57. The Secretariat highlighted that following various discussions in the Working Group since October 2014, three themes had emerged for future STDF thematic work, namely: (i) e-certification in the SPS area; (ii) benefits of standards harmonization/implementation; and (iii) good regulatory practice in the SPS area. In principle, the 2015-16 STDF Work Plan included a tentative budget of up to US\$100,000 was allocated to organize an activity focused on one of these topics (workshop, research, etc.).
- 58. In light of the previous presentations, several members suggested that the Secretariat should organize an information seminar on e-certification in the SPS area. WTO suggested that this could possibly be done on the margins of an SPS Committee meeting and noted that this type of activity would probably not require significant financial resources. The World Bank also supported future STDF work on the benefits, and challenges, of standards implementation. UNECE expressed an interest to initiate collaboration with the STDF on country studies that it undertakes on regulatory and procedural barriers to trade. It would particularly be interested in including SPS chapters in these country studies. OIE suggested an additional focus on evaluating the impact of STDF projects to advocate better functioning SPS systems. The EC recommended that the STDF should oversee activities taking place under an African Union (AU) taskforce to establish an AU Food Safety Management Coordination Mechanism.
- 59. Some members viewed that future STDF thematic work should also focus on awareness raising and advocacy of the importance of SPS capacity building. Several other members, however, noted that this is already core STDF work and should be treated as an ongoing activity rather than a thematic activity. Members reached consensus on organizing an information session on e-certification in the SPS area, ideally on the margins of an SPS Committee meeting in 2016. Funds allocated to this activity in the 2015-16 STDF Work Plan (up to US\$100,000) would be primarily used to invite speakers form developing countries. The Secretariat was tasked to prepare a draft concept note and programme for this event, for discussion at the next Working Group meeting in March 2016.

## **6 SPS CAPACITY BUILDING PROJECTS IN SPECIFIC AREAS (OUTPUT 4)**

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

60. The Secretariat introduced the project applications not tabled for consideration by the Working Group. These applications and the reasons for not tabling them were listed in Tables 2 and 3 in document STDF/WG/Oct15/Review.

# (b) Consideration of project applications and decision on financing and prioritization (if required)

# STDF/PG/495 - Regional project for the accreditation of laboratory diagnostic tests for animal diseases (Central America)

61. Members approved the project, subject to including in the document that prior to its inception, specific measurable impact indicators, as well as their respective means of verification, will be defined. Members acknowledged the work done by OIRSA in reviewing the proposal and welcomed the collaboration and participation of FAO, OIE and PAHO in project implementation. The World Bank suggested considering promoting the accreditation of diagnostic tests in private laboratories as well as the mutual recognition of accredited tests. However, these aspects do not have to be addressed specifically by this project.

<sup>&</sup>lt;sup>1</sup> <u>http://www.standardsfacility.org/working-group-documents</u>

# STDF/PG/504 - Global electronic trade facilitation: Enhancing safe trade in plants and plant products through innovation

- 62. Members generally recognized the positive contribution of electronic phytosanitary certification in reducing trade costs and ensuring effective implementation of ISPM 12, and reconfirmed their overall support for this project. However, they reiterated their concerns related to outstanding shortcomings in the application and highlighted that most of the comments submitted as part of the first consideration of the proposal were still left unaddressed by the IPPC. Members decided to approve the application on the condition that it is revised in a way that takes into account all the comments provided since March 2015, to the satisfaction of the STDF Secretariat, prior to contracting. Members recommended, *inter alia*, that the revised project proposal should:
  - provide details on the sustainability of the hub including an explanation of the cost recovery mechanism and an estimate of the fees that countries will have to pay for the system after it is globally deployed;
  - clearly address the issue of willingness of countries to discard their current systems to use the hub;
  - clarify how the project intends to address the challenges that may be faced by developing countries in implementing the system and whether support for implementation would be provided to them beyond the capacity building (training materials) component included in proposal;
  - include a revised budget that reflects the STDF ceiling of US\$1 million, as well as additional matching funds from other sources;
  - indicate that due consideration may be given to using UNCTAD's ACYSER system as a cost effective alternative to developing a generic system for use by countries;
  - ensure that the project is steered by a committee composed by relevant stakeholders such as the standard setting bodies, UNCEFACT and other key players in electronic certification to seek synergies; committee members should be identified in the application and approached prior to contracting and costs related to their participation should be reflected in the budget, where appropriate;
  - include at the end of the project, after the development and pilot testing of the hub, a stock taking exercise looking at the results of the pilot phase, the challenges faced and the required adjustments, if any.

# STDF/PG/432: Demonstrating the impact on trade and regional plant protection of streamlined information systems for pest surveillance and reporting

63. Members approved this project subject to revision of the logical framework, prior to contracting, to the satisfaction of the Secretariat. Members also took note of the highly complementary nature of the project to the Asia and Pacific Plant Protection Commission's (APPPC) work plan for 2016-17 and viewed that the proposed project management structure should include the Secretariat of the APPPC. In this context, members considered it pertinent to have a specific letter of support for this project from APPPC.

# STDF/PG/477: Improving sanitary capacity and facilitating export of livestock and livestock products in Ethiopia

64. Members generally concurred that this project is highly relevant for Ethiopia. However, some members expressed concerns over the existing proposal including in relation to: (i) its overambitious scope and lack of focus; (ii) inadequate detail on specific SPS requirements for the export of livestock and animal products from Ethiopia to particular markets, and priorities to address them to enhance export of livestock and animal products; and (iii) weakness in identification of synergies with other ongoing initiatives in the livestock sector in Ethiopia. Subsequently, members discussed options on how to proceed with the project application.

- 65. Members decided to hire a new consultant to finalize the draft project proposal already produced under this PPG and to slightly increase the total budget for this PPG, as needed, up to a maximum of US\$60,000. Members noted the new consultant should possess: (i) extensive relevant experience in Ethiopia; (ii) broad experience in project development; (iii) knowledge of relevant trade and market access issues; and (iv) adequate knowledge of OIE standards and its capacity evaluations tools.
- 66. The World Bank noted it had recently concluded work with OIE on a Livestock Regulatory Programme in Ethiopia, which had included a detailed mapping exercise of assistance in the livestock sector. The new consultant should ensure that information gathered under the mapping exercise feeds into the new project proposal. Members noted with regret that letters of support for the application had not been provided by relevant public and private sector stakeholders in Ethiopia, including the Veterinary Service Directorate (VSD) and the National Animal Health and Disease Investigation Centre (NAHDIC). In this context, there was also agreement that prior to moving ahead, the beneficiary should re-commit to this PPG and fully engage to facilitate and support its finalization. Therefore, prior to hiring a new consultant to finalize the draft project proposal, members requested an official letter demonstrating the beneficiary's continued support for this work and the ensuing project application.

# STDF/PG/503: Beyond Compliance Global - sharing tools for enhanced application of Systems Approach and market negotiation on plant pest risk

- 67. Members concurred with the potential usefulness of this project in supporting countries to implement an important and complex international standard ISPM 14 titled "The use of integrated measures in a systems approach for pest risk management". However, some reservations were expressed on the effectiveness of the set of tools in question as a means to enhance developing countries' capacity to negotiate phytosanitary measures for market access. Moreover, members raised concerns about the sustainability of the training approach and the user-friendliness of the current tools and their uptake by countries.
- 68. Members concluded that it is premature to fund a project to further implement these tools prior to assessing their actual impact on market access in the countries in which they were pilot tested. It decided to defer its decision on possible future funding until the ex-post evaluation of the previous project (STDF/PG/328) is carried out and its findings presented to the Working Group at its March 2016 meeting. Should the evaluation confirm the utility of the tools from a market access perspective, the applicant will be invited to resubmit a revised application.

### (c) Decision on financing and prioritization

- 69. Given the shortfall in funding, the Working Group agreed to assign priority to implementing the PPGs and the two PGs (STDF/PG/495 and STDF/PG/504) that were resubmitted from previous Working Group meetings. The chairperson reminded members about the conditional approval of project STDF/PG/504. The third approved project (STDF/PG/432) would be contracted once additional financial contributions are received from donors in 2016.
- 70. The Netherlands confirmed that its financial contribution for 2015 will be transferred to the WTO shortly.

### (d) Overview of ongoing and of completed projects for external evaluation

- 71. The Secretariat referred to document STDF/WG/Oct15/Overview to reflect on outstanding issues of ongoing projects. Members agreed on a one-year no-cost extension for the African Pesticide Residue Data Generation Project (STDF/PG/359). The Secretariat introduced an explanatory note (produced by the Secretariat) summarizing the key findings and lessons learned from project STDF/PG/126 titled "Establishment of the Horticulture Development Council of Tanzania (HODECT)". The Secretariat informed members that it considered the quality of the consultant's evaluation report, both in terms of methodology and substance, insufficient. Members were satisfied with the note and decided to close the evaluation process.
- 72. The Secretariat reported on the ongoing external evaluation of STDF/PG/326. It further noted that the ex-post evaluation of a combination of four projects (STDF/PG/255, STDF/PG/283, STDF/PG/287 and STDF/PG/313) is delayed due to difficulties in identifying qualified consultants.

The IPPC expressed its full support for the three candidates proposed by the Secretariat and noted that they would reconfirm their preferred choice in writing. The Secretariat also noted that terms of reference and names of potential consultants to carry out ex-post evaluations of four projects (STDF/PG/155, STDF/PG/284, STDF/PG/298 and STDF/PG/328) had recently been circulated among members for comments. The Secretariat indicated that without any further comments it would proceed to contract suitable consultants at its own discretion and start the evaluation process.

#### **7 OTHER BUSINESS**

- 73. The Secretariat reminded members about the deadline of Friday 6 November for feedback and comments on: (i) the draft STDF briefing note; (ii) the report by Mrs Jennifer Rathebe. Members were also reminded to recommend potential candidates for the position of developing country expert by 6 November 2015. Members were invited to send comments on the joint EIF/STDF study by 13 November 2015.
- 74. The Secretariat further informed the Working Group about the tentative dates for the 2016 Working Group meetings (as usual on the margins of the SPS Committee meeting), notably 14-15 March and 10-11 October 2016.
- 75. The Secretariat, on behalf of the entire Working Group, expressed its appreciation to Dr Kazuaki Miyagishima for chairing the Working Group meetings in 2015 in an excellent manner. The chairperson thanked all members and the Secretariat for their cooperation and engagement.
- 76. The Secretariat also acknowledged the positive contribution of the three outgoing developing country experts. They in turn expressed their appreciation for the opportunity to participate in the Working Group.
- 77. The meeting was closed at 17.45.

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