

STDF POLICY COMMITTEE MEETING SUMMARY REPORT

THURSDAY, 12 FEBRUARY 2015
OIE, PARIS

WELCOME REMARKS

The Director General of the OIE, Dr Bernard Vallat, welcomed participants. Referring to the joint statement issued by the Heads of STDF's founding partners at the WTO Ministerial Conference in Doha in November 2001, he recalled the main reasons for creating the STDF. Developing countries need support to implement international standards in order to be protected from the economic and health consequences of pests and diseases and to safely trade in food and agriculture products. He expressed reservations about STDF's recent focus on reducing SPS-related trade costs and emphasized that the original commitment of the founding partners cannot be changed. He recalled the need to review the STDF Operational Rules to strengthen the leading role of the partners in STDF's work.

1 ADOPTION OF THE AGENDA

1.1. The meeting was chaired by Dr Alex Thiermann (OIE). The agenda was adopted with one amendment. It was agreed to discuss the review of the STDF Operational Rules under agenda item 4 and to discuss endorsement of STDF's revised strategy and Monitoring and Evaluation (M&E) framework under item 5. A list of participants is provided in Annex 1.

2 OPENING STATEMENTS BY POLICY COMMITTEE MEMBERS

2.1. Dr Ren Wang (FAO) noted that the FAO has been committed to the STDF since its establishment. The partnership is concerned with the efficiency and effectiveness of SPS-related capacity development efforts and the main role of the partnership is to improve coordination among key players that are active in SPS-related capacity development, to raise awareness of the importance of SPS issues and to increase mobilization of resources for capacity development. The FAO houses two of the standard setting bodies referenced under the SPS Agreement, Codex and IPPC, and implements important capacity building programmes in all three SPS sub-areas (food safety, animal and plant health). The FAO has contributed importantly to the technical work of the platform, which, according to the mid-term evaluation, has been appreciated by beneficiaries. FAO recognizes that there is still great scope for improving the value of the platform, in line with its original aims, given its unique composition. FAO looks forward to working with the other founding partners and the other STDF members to strengthen the partnership and enable it to meet its key role of facilitating SPS-related capacity development around the world.

2.2. Dr Keiji Fukuda (WHO) expressed his appreciation for the work done by the Secretariat. He reminded that the WHO was actively involved in analysing the recommendations of the STDF mid-term review. The WHO supported the proposed M&E framework, while noting that it may require further adjustments in the future. The WHO also supported the revised STDF strategy for 2015-2019, which is clearer and more concise than the previous one. With regard to the ongoing revision of STDF's Operational Rules, he reiterated the importance of sufficient time in the STDF Working Group for a technical exchange of views on activities and projects to improve their quality. He recognized the importance of trade facilitation in contributing to sustainable economic growth and poverty reduction in developing countries but also highlighted the importance of harmonized international standards to protect human, animal and plant health.

2.3. Dr Francois Le Gall (World Bank) referred to the World Bank's written comments on the draft revised STDF strategy, which it fully supports. He stressed that the World Bank Group is very committed to the STDF process, including active participation from both the World Bank's agriculture and trade and competitiveness groups.

2.4. Dr Thiermann (OIE) reminded participants of the uniqueness of the Facility and viewed that the STDF should not lose sight of its original intentions. In particular, he expressed concerns over STDF's current work on facilitating trade, which the OIE considered to be departing from those original intentions.

2.5. Mr David Shark (WTO) reminded members that the STDF was established to respond to the trade concerns of developing countries related to implementation of the WTO SPS Agreement. Over the years the partnership has gradually evolved into a well-functioning knowledge platform and coordination mechanism that promotes dialogue, exchange of information and collaborative approaches in building SPS capacity. The STDF has generated US\$43 million in donor contributions and prepared and implemented close to 140 projects, with very good results. He referred to high trade costs that act as a brake on the trade integration of many developing countries and, with reference to a recent World Bank study on trade logistics, viewed that STDF should have an important role in improve the effectiveness of SPS border management.

2.6. Mr Shark reminded participants that work on the revision of the STDF Operational Rules is already under way. He expressed support for the revised STDF strategy and M&E framework and warned that new contributions will be necessary, ideally in the form of multi-annual commitments, to implement STDF's work programme in 2015 and beyond. He welcomed suggestions from members on how to develop a broader financial basis for the Facility. Finally, he invited Policy Committee members to attend an STDF reception on Wednesday 25 March 2015, hosted by the WTO, to celebrate STDF's 10th anniversary.

2.7. Mr Philippe Jacques (EC) briefed participants about the current preparation of the national and regional indicative programmes outlining the basis for EU support to developing countries until 2020. He informed members that SPS issues will figure prominently in these programmes and that hence the STDF will be an important partner for the EC in the coming years. He highlighted that the EC attaches great importance to STDF's coordination role and informed members that the EC is in the process of preparing a new multi-annual contribution to the Facility.

2.8. Mrs Suzanne Heinen (USA) thanked the Secretariat for its good work and highlighted STDF's unique role in helping developing countries to implement international standards. She saw no fundamental disagreements in this regard and reminded participants that beneficiaries should get the assistance they need. This should be the driving force and lead the STDF in its discussions on activities and projects. She expressed support for the draft revised STDF strategy and looked forward to further discussions in the STDF Working Group on how to further implement result-based management.

2.9. Mr Ronald Roosdorp (The Netherlands) looked forward to the discussions in the Policy Committee. He drew attention to the important relationship between trade and development and to the importance of SPS capacity building for trade.

2.10. Mrs Stella Oraka (developing country expert) concurred with the written comments provided by the World Bank on the draft revised STDF strategy, noting that more work to evaluate the impact of project interventions on market access would be useful, also in the context of the STDF. She also flagged the need for the development of training programmes in developing countries on results-based management (RBM), including the preparation of good logical frameworks.

2.11. Mrs Carmela Castillo (developing country expert) expressed support for the draft revised STDF strategy and M&E framework and stressed the need for flexibility in its implementation.

3 UPDATE ON OPERATION AND FINANCIAL STAUS OF STDF

3.1. Mr Melvin Spreij (STDF Secretary) presented an overview of STDF's operation and financial status and outlook for the coming years. Total contributions received from donors since the inception of the STDF (in 2004) amounted to USD 43.1 million. This excluded the seed funding received from the World Bank and the WTO to establish the STDF from 2002 to 2004. In 2014, ten contributions were received totalling US\$ 4.5 million (i.e. US\$ 0.5 million below STDF's annual target level of funding of US\$ 5 million). As of 31 December 2014, the STDF showed a negative balance of US\$ 600,000. Although the immediate financial outlook for 2015 was relatively good, new and preferably multi-annual contributions would be required to implement STDF's strategy

and work plans in 2015 and beyond. At present, the Working Group was in principle not in a position to approve any new projects at its next meeting in March 2015.

3.2. Mr Spreij replied to questions from Mr Roosdorp (The Netherlands) on exchange rates and a reduction in the Swedish contribution in 2014. More generally, in relation to STDF/PPG/355, Mr Roosdorp questioned whether the STDF should finance project development activities in China.

3.3. Dr Thiermann (OIE) viewed that PPGs are one STDF's biggest success stories and that there should be further discussion in the STDF on how to maximize the benefits of the PPG approach, including seeking funding from other sources for resultant projects.

3.4. Dr Kazuaki Miyagishima (WHO) considered that in larger economies funds are often available to finance projects. A major issue is how to ensure that profits within specific value chains flow back into the regulatory system.

3.5. Dr Renata Clarke (FAO) felt that more work could be done in the STDF on raising awareness about the importance of SPS capacity building and concurred with the OIE that the role of PPGs in the STDF is of vital importance.

4 PROGRESS ON REVISION OF STDF OPERATIONAL RULES

4.1. With reference to the annotated agenda, Mr Spreij (STDF Secretary) briefly introduced the work undertaken by members and the Secretariat to review the STDF Operational Rules since the last Policy Committee meeting in January 2014. In October 2014, the STDF Working Group decided that self-reflection and further discussion should take place among those members who had submitted initial suggestions to amend the Operational Rules (i.e. FAO, OIE, WTO, EC and USA). To facilitate this work, the Secretariat allocated time for further discussions on the Operational Rules on the margins of the next Working Group meeting in March 2015.

4.2. Mrs Gretchen Stanton (WTO) recalled that the STDF mid-term review did not identify any major issues or concerns with the Operational Rules, though she admitted that in some areas STDF's operation could benefit from some minor revisions. She suggested that the five members that had originally submitted comments should meet first on the margins of the next Working Group meeting (on Monday 23 March) to discuss the various issues in an informal setting. Subsequently, after the regular Working Group meeting, members could then meet in the Working Group to discuss the issues further (on Wednesday 25 March). Later this year, the Working Group would hopefully be in a position to send its recommendations to the Policy Committee.

4.3. Mr Jacques (EC) concurred that the Working Group is currently the best place to discuss the review of the STDF Operational Rules.

4.4. Dr Thiermann (OIE) reminded members about the importance of achieving a proper balance between reducing trade costs on the one hand and ensuring health protection on the other hand. Developing countries should be assisted so that by implementing sanitary standards they could improve their exports as well as be able to protect their borders. He wondered if the focus of STDF's current research work on reducing SPS-related import costs, in developing countries in Asia, was appropriate in this regard. He urged for a better review of STDF planned activities before their approval.

4.5. Mr Marcus Bartley Johns (World Bank) mentioned that the World Bank fully supports STDF's research work. Reducing trade costs at borders was vital for developing countries in order to become more competitive and trade. The fact that the STDF discusses this issue in the context of the WTO SPS Agreement, which aims to strike a proper balance between trade facilitation and health protection, was re-assuring and a good approach.

4.6. Dr Wang (FAO) emphasized that the pre-eminent role of the STDF founding partners should be reflected in the Operational Rules. He also viewed that the selection and appointment of developing country experts in the STDF should become more transparent.

4.7. Dr Miyagishima (WHO) supported the idea of further discussing the review of the STDF Operational Rules on the margins of the next Working Group meeting in March 2015.

4.8. Mrs Gretchen Stanton (WTO) agreed that the founding partners have a key role to play in the STDF. However, donors should not only be viewed as providers of contributions to the STDF trust fund. In many instances, they are also providers of technical cooperation themselves and have important expertise and knowledge to share, from which developing countries can benefit. She noted that some comments received in the ongoing review process highlight a desire for discussions in the Working Group at a technical level. She felt that a further reflection on what is meant by "technical", especially in light of STDF's trade and development objectives, would be useful.

4.9. Mr Jacques (EC) concurred with WTO's views and repeated that coordination should be a key function of the STDF.

4.10. Mr Roosdorp (The Netherlands) recalled the very small size of the Facility and concluded that the STDF needs a very light and efficient organizational structure. He urged members to take a practical approach in this regard.

4.11. The Policy Committee agreed to continue the review process of the STDF Operational Rules as suggested by some members, i.e. an informal meeting on Monday afternoon 23 March (among FAO, OIE, WTO, EC and USA), and a Working Group meeting (members only) on Wednesday afternoon 25 March 2015.

5 REVIEW OF STDF STRATEGY IN CONTEXT OF STRENGTHENING RBM FRAMEWORK

5.1. The STDF consultant, Mr Jens Andersson, briefly presented the draft revised STDF strategy, including in particular its logical and M&E framework. He emphasized that results-based management is a continuing process and that members should consider fine-tuning these frameworks in the near future, for instance to further improve the indicators.

5.2. Dr Le Gall (World Bank) congratulated the consultant and the Secretariat for a job well done and expressed the World Bank's full support.

5.3. Mr Jacques (EC) suggested some improvements to the indicators in the logical framework and proposed to merge Outputs 3 (project development) and 4 (project implementation).

5.4. Mrs Heinen (United States) expressed general support for the work done and hoped that members will continue to discuss monitoring and evaluation issues in the Working Group. The United States had sent comments to the Secretariat for further distribution and discussion in the Working Group in March 2015.

5.5. Mrs Oraka (developing country expert) noted that issues related to results-based management had been extensively discussed in the Working Group and expressed her support.

5.6. Mrs Castillo (developing country expert) queried how the STDF should deal with end-of-project and impact evaluations. The consultant replied that this should be further discussed by the Working Group (in the context of reviewing the STDF Operational Rules).

5.7. Mr Miyagishima (WHO) recognized that identifying good indicators can be extremely difficult. For transparency reasons, he preferred for Outputs 3 and 4 to remain separate.

5.8. Dr Thiermann (OIE) viewed that some textual amendments are necessary to paragraphs 3 and 4 ("What is the STDF?") in order to maintain the original intentions of STDF's founding partners. He disagreed with identifying the STDF as an Aid for Trade partnership.

5.9. Mrs Stanton (WTO) reminded members that the Aid for Trade initiative had only emerged after the creation of the STDF. Given its focus on market access, the STDF is a clear and concrete example of Aid for Trade, albeit in a specific area (i.e. building SPS capacity). That said, the WTO did not necessarily object to removing the reference to "Aid for Trade" from paragraphs 3 and 4 in the revised STDF strategy.

5.10. Dr Clarke (FAO) commended the Secretariat for the transparent and inclusive process in revising STDF's intervention logic although she regretted that there had been no time to discuss the revised strategy within the Working Group. She felt that Outputs 3 and 4 have different

objectives and should therefore remain separate. She also argued that the STDF should continue to conduct impact evaluations, as it is important for projects funded by the STDF to be sustainable in the longer term. The original intentions of STDF's founding partners were still valid and should be reflected in paragraphs 3 and 4 of the revised strategy.

5.11. Mr Roosdorp (The Netherlands) viewed that the proposed framework is in principle solid. With regard to Output 1, however, The Netherlands would like to see different indicators. The Netherlands did not agree with the current indicator proposed. He also queried whether the STDF should be limited to an annual target level of funding of US\$ 5 million.

5.12. Dr Brian Evans (OIE) thanked all the participants for a constructive debate. He stressed the need to reflect the original intentions of STDF's founding partners on safe trade, while acknowledging that the Facility is working in an evolving landscape.

5.13. Dr Le Gall (World Bank) indicated that lowering costs of trade should not be at the expense of sanitary risks. He thought that the term "facilitating safe trade" is the appropriate one.

5.14. Mr Shark (WTO) concluded that only minor adjustments are needed to the revised STDF strategy and proposed to endorse the revised strategy and M&E framework in principle, subject to insertion of minor clarifications as requested by some members.

5.15. The Policy Committee agreed to this proposal and to send concrete textual amendments (in track change mode) to the STDF Secretariat by Tuesday 17 February 2015, close of business. It tasked the Secretariat with incorporating the amendments to be received and circulating the final documents, based on consensus among members.

6 OTHER BUSINESS

6.1. Dr Thiermann reminded members of the issue raised by Mr Shark (WTO) in his opening remarks, i.e. the need to raise awareness of the STDF and broaden its donor base. Some members suggested that the Secretariat should consider development of: (i) a flyer or briefing note highlighting the main accomplishments of the STDF; and (ii) a standard presentation on the STDF, for use by partners, donors, developing country experts and other relevant organizations. Other members viewed that the STDF Secretariat should make more use of Twitter and other social media. Mr Shark (WTO) reminded members of the reception on 25 March 2015 to celebrate the STDF's 10th anniversary. This would be an opportunity to highlight the excellent results achieved by the STDF over the last decade and to remind (potential) donors about the need to replenish the STDF trust fund.

6.2. Dr Thiermann thanked all the Policy Committee members and the consultant, Mr Jens Andersson, for their participation. The meeting was adjourned at 12.20.

ANNEX 1

List of participants

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