

STDF POLICY COMMITTEE MEETING SUMMARY REPORT

THURSDAY, 23 FEBRUARY 2018
OIE, PARIS

1 WELCOME REMARKS

1. The Director General of the OIE, Dr Monique Eloit, welcomed participants and highlighted the OIE's core mandate of setting global animal health standards to better control animal diseases and regulate trade. The OIE recently initiated the Observatory, which is expected to serve as a tool to monitor progress and constraints in the implementation of OIE standards. Dr Eloit reiterated OIE's strong commitment to the STDF and looked forward to the outcomes of the upcoming external evaluation.

2 ADOPTION OF THE AGENDA

2. The meeting was chaired by Dr Matthew Stone, Deputy Director General of the OIE. Members adopted the agenda. A list of all participants is provided in **Annex 1**.

3 OPENING STATEMENTS BY POLICY COMMITTEE MEMBERS

3. Dr Matthew Stone (OIE) reminded participants that the STDF is integral to achieving OIE's core objectives. The OIE is currently considering a more strategic approach in exploring how to better meet OIE members' needs, including in relation to trade issues. The Observatory, which involves close cooperation with the Organisation for Economic Co-operation and Development (OECD), will be critical in this regard. He underlined the importance of the collaboration (tripartite) with FAO and WHO in promoting a multi-sectoral, One Health approach.

4. Dr Kazuaki Miyagishima (WHO) emphasized WHO's commitment to the STDF, referring to WHO's collaboration with FAO in the Codex Alimentarius Commission and opportunities to add value to the STDF in this context. He expressed WHO's view that the STDF should not only focus on promoting exports, but also aim to improve the domestic food safety situation in developing countries. He hoped that the upcoming evaluation would address this aspect.

5. Mr Bill Gain (WBG) reiterated the WBG's support to the mission of the STDF. The WBG values the opportunity to participate and provide input into the STDF Working Group meetings, including in reviewing project proposals and leveraging resources. He highlighted the importance of inclusion of SPS border agencies in trade facilitation initiatives and expressed interest in further exploring with FAO, IPPC and OIE the development of a specific trade facilitation/SPS diagnostic tool.

6. Mr Alan Wolff (WTO) observed that, in general, a better understanding is needed of the good work that is done by international organizations. He pointed to STDF's achievements over the past years and considered the STDF to be an opportunity to show how partners are collectively making a difference. He stressed the importance of securing additional multi-annual contributions to the STDF trust fund, and of communications and outreach. The WTO was proud to see the launch of the new STDF Results Book.

7. Dr Ren Wang (FAO) noted FAO's continued commitment to the STDF. He stressed the need for increased investment in SPS capacity building, which is critical in achieving FAO's core objectives, and the important role the STDF plays in this context. In moving the STDF forward, he considered the following aspects to be important: (i) enhancing coordination at national and regional level, and setting more ambitious targets in this regard; (ii) transparency, complementarity and diversity, which make the STDF partnership unique; (iii) due attention to implementation of the WTO Trade Facilitation Agreement, which is changing the environment in which STDF is operating, while not forgetting STDF's original mandate; and (iv) a review of the STDF Operational Rules, recognizing the variety of actors involved in the STDF, while maintaining the technical focus of the STDF Working Group.

8. Ms Emili Perez (Sweden) considered the importance of the upcoming evaluation, which should be comprehensive and robust, and capture the results and impact of STDF's work. In Sweden's view, the future strategy of the STDF – to be developed in 2019 – should take a broad view and further tie STDF's work to Agenda 2030 and the Sustainable Development Goals (SDGs).

9. Ms Betsy Baysinger (United States) highlighted continued support for the STDF, which receives contributions from both the United States Department for Agriculture (USDA) and the United States Food and Drug Administration (FDA). She noted that STDF meetings and activities are well-organized and efficient, and the partnership continues to be highly relevant in an evolving global trading system. She expressed some concerns over STDF's financial situation.

10. The STDF Secretariat read a collective statement made by STDF's developing country experts, who could not attend the meeting. They expressed satisfaction with the STDF and reminded members of its focus and target for Least Developed Countries (LDCs). They considered the necessity of reviewing the STDF Operational Rules, including to enable a more prominent role for the Secretariat in the review/approval process of projects and, in particular, of PPGs. They called upon donors to leverage additional resources and synergize their funding mechanisms.

11. In concluding this agenda item, the chairperson noted the broad range of views expressed from a trade, health and development perspective. All members agree on the value of the STDF mechanism, which is aligned with the objectives of their organizations and beneficiaries, and with global challenges. Monitoring, evaluating and communicating STDF's results will continue to be important, also in view of potential future contributions to the trust fund. The upcoming evaluation will provide an opportunity to further strengthen and improve the STDF partnership.

4 PREPARATION FOR THE EXTERNAL EVALUATION OF THE STDF

12. The Secretariat provided a brief overview of the results achieved by the STDF in implementing the current medium term strategy (2015-2019). In particular, attention was drawn to an increased focus on monitoring, evaluation and learning, including the adoption of an M&E framework, and a stronger effort on communications and outreach. In both areas, the Secretariat has contracted external consultants for advice and assistance. The Secretariat presented the new STDF Results Book, which highlights results and impact achieved for a wide range of STDF projects covering food safety, animal and plant health and trade. Cross-cutting themes, such as gender and environmental protection, have been gradually incorporated into STDF's work. The STDF continues to prioritize LDCs, and specific reference was made to a joint publication with the Enhanced Integrated Framework (EIF) in 2016.

13. Topics currently being discussed in the STDF Working Group, and which may lead to additional good practice work, include trade facilitation/SPS e-cert, public private partnerships, prioritizing SPS investments for market access and Good Regulatory Practice (GRP). In terms of lessons and opportunities, the Secretariat highlighted a need to: (i) capitalize increasingly on STDF's vast network to upscale results; (ii) promote ongoing lessons learning through a more active partnership approach; (iii) create more synergies across projects and good practice work, including a continued focus on cross-cutting themes; and (iv) mobilize and leverage additional resources to meet an increasing demand for SPS technical assistance.

14. The Secretariat then outlined the next steps for the upcoming evaluation. Following the endorsement of the terms of reference (ToR) by the Policy Committee, the WTO would launch the procurement process in March/April 2018, with a view to commence the evaluation in September 2018. The evaluation period would be six months. The total budget allocated by STDF members for the evaluation in the 2018 Work Plan is US\$100,000. It was also proposed to organize the next meeting of the Policy Committee in February 2019 to discuss the report and its recommendations, which would feed into the development of a new strategy for the STDF for 2020 and beyond.

15. The WHO noted that the ToR are generally well-structured. In considering STDF's relevance, it highlighted the importance of the role and comparative advantage of the STDF in relation to bilateral aid flows in SPS capacity building.

16. Sweden recalled that the STDF functions as both a coordination and knowledge platform, and a funding mechanism, and viewed that both elements should be evaluated. It praised the STDF for its end-of-project and independent impact evaluations and for the recently conducted meta-

evaluation of all STDF project evaluations. Sweden noted its reluctance to discourage service providers to undertake country visits as part of the evaluation. Sweden also suggested some minor amendments related to the management of the evaluation and proposed to increase the amount allocated for the evaluation to US\$150,000.

17. The WBG viewed that the ToR were well-drafted, though the focus could be narrowed down during the inception phase. It agreed to increase the budget for the evaluation to US\$150,000 to US\$200,000.

18. The FAO queried the role of the proposed Evaluation Steering Group and considered that the inception report should be shared with all Working Group members. In FAO's view, the scope of the evaluation should be broad and not focused, in particular, on the period from 2014 to the present. FAO also suggested deleting references to other relevant programmes and initiatives, such as non-tariff measures (SPS/TBT), trade facilitation, agriculture or private sector development.

19. The United States also questioned how the Evaluation Steering Group would work and asked if this should be further clarified in the ToR. Sweden added that it had proposed the creation of an Evaluation Steering Group to assist the Secretariat in managing the evaluation process, also in view of the tight deadlines in the ToR. Sweden suggested to further clarify the functioning of the Evaluation Steering Group in the summary report of the Policy Committee meeting.

20. The WTO noted its agreement to increase the budget for the evaluation to US\$150,000. The WBG expressed interest in recommendations that would reduce administrative procedures in the STDF Working Group, including by increasing the responsibilities of the Secretariat in relation to the review and approval of PPGs.

21. The Policy Committee decided to increase the budget for the evaluation to US\$150,000. It also endorsed the ToR for the evaluation of the STDF, with the following amendments¹:

- a. Delete the last sentence in section 4.9, leaving the possibility of country visits open;
- b. Replace the wording "will be contacted" in section 4.9 with "can be contacted";
- c. Add the following question to section 5.1, under A (Relevance), under 2): What is the comparative advantage of partners and donors working together in the STDF?
- d. Amend paragraph 5 in Section 6 (Phase I) as follows: The STDF Secretariat, in consultation with the Evaluation Steering Group, will send its comments on the draft report to the evaluation team by 5 October 2018;
- e. Amend paragraph 6 in Section 6 (Phase I) as follows: The evaluation team will send the final inception report to the Secretariat by 12 October 2018;
- f. Amend paragraph 7 in Section 6 (Phase I) as follows: The Secretariat will, in consultation with the chairperson of the Working Group, endorse the final inception report by 19 October 2018;
- g. Add WTO to the list of organizations in paragraph 9 in Section 6 (Phase II);
- h. In section 7.2, after "...endorsing the Inception Report", add the following sentence: In doing so, it will consult with members of the STDF Policy Committee;
- i. Delete the last sentence in section 7.2.

22. The Policy Committee also agreed that partners, donor members and developing country experts will each inform the Secretariat by **1 August 2018** who they have appointed as their representative in the Evaluation Steering Group. The Policy Committee also clarified that donor

¹ On 9 March 2018, following an e-mail consultation, the Policy Committee further agreed – at the request of FAO – to rephrase the first sentence in section 4.2 as follows: *The evaluation will be global in scope.*

members of the Policy Committee can consult with all other donors (who they represent) on the inception report, if needed.

23. The WTO reiterated the importance of communicating results and the importance of the questions under section 5.1 (B. Effectiveness). In concluding this agenda item, the chairperson mentioned that the evaluation should be ambitious and conducted in an open and transparent manner, leading to robust recommendations that could feed into future strategic programming.

5 STDF FUNDING SITUATION

24. The Secretariat briefly presented an overview of STDF's financial status and outlook for 2018 and beyond. Since the inception of the STDF in 2004, the Facility had generated close to US\$60 million in contributions from donors. In 2017, ten contributions were received totalling US\$4.8 million (i.e. up from US\$4.2 million in 2016), which is close to STDF's annual target level of funding of US\$5 million. As of 31 December 2017, the STDF showed a negative balance of US\$885,251. Although the immediate financial outlook for 2018 is relatively good (with commitments totalling US\$3.1 million already made), new and preferably multi-annual contributions are required to continue implementing STDF's strategy and work plan in 2018 and 2019.

25. The chairperson expressed his gratitude, on behalf of all members, for the generous and continuing contributions made by donors to the STDF trust fund. Upon his request, the Secretariat clarified that the STDF does not allow "earmarking" of contributions and that the salaries of STDF staff (with the exception of the STDF Secretary whose salary is covered by WTO's regular budget) are covered by the trust fund. Three professional staff are responsible for monitoring approximately 40 STDF projects at different stages of development, implementation and evaluation, and for the ongoing review of project and PPG applications. Two professional staff are responsible for STDF's coordination work and knowledge tools, including M&E and communication and outreach work (for which the Secretariat had also contracted external consultants). The Secretariat further includes one administrative support staff.

26. In terms of approving new projects and PPGs at the next Working Group in March 2018, the WTO considered that the timing of new contributions will be important. The Secretariat expressed hope that the contributions already committed for 2018 would be received shortly. It referred to a new contribution agreement signed by the WTO in February 2018 with Finland, and noted that discussions with other donors (including Denmark, France and the United Kingdom) on new multi-annual contributions to the STDF were underway and, in some cases, well advanced.

27. Ms Torun Dramdal (Norway, observing the meeting) announced a new three-year contribution for the period 2018-2020 (i.e. 6 million Norwegian Krone per year, an increase from its previous contribution of 4.5 million NOK). Mr Hans Peter van der Woude (The Netherlands) announced a new four-year contribution for the period 2018-2021 of 2.6 million Euro. Members welcomed and expressed their appreciation for these new additional contributions.

28. In view of securing continued Aid for Trade funding for the STDF, Sweden reiterated the importance of aligning STDF's future strategy with Agenda 2030 and the SDGs. Further strengthening STDF's communications and outreach component, and increasing STDF's overall visibility, will also be important.

6 REVIEW OF THE STDF OPERATIONAL RULES

29. The chairperson, also speaking on behalf of the OIE, referred to the information provided by the Secretariat in the annotated agenda and considered that it may be opportune to await the results and recommendations of the upcoming evaluation, before embarking on any further revision of the STDF Operational Rules.

30. The United States agreed to postpone further discussions on a full review of the Operational Rules at this stage. That said, one aspect that it would like to see addressed in a future revision includes the project/PPG review process in the STDF Working Group, which currently takes up too much time. The WBG concurred with the comments made by the United States and viewed that further Secretariat empowerment could lead to more efficiency in the Working Group. The

Netherlands also agreed and added that it may not always have the time and resources to fully participate in project/PPG discussions in the Working Group.

31. The FAO mentioned that it does not oppose new ways of working. However, it does not consider the time spent on projects/PPGs in Working Group meetings as time lost. In particular PPGs have value added, also in terms of leveraging resources and in moving away from the notion that all resultant projects should always be fully financed by the STDF. It stressed the technical nature of Working Group meetings and the technical input it provides into PPGs and projects.

32. The WHO concurred with the FAO and recalled that it invests a lot of staff time and resources in reviewing PPG and project applications prior to the Working Group meetings. In addition, it considered that situations of conflict of interest in the Working Group should continue to be monitored closely. The chairperson of the Working Group plays an important role in this regard.

33. Sweden agreed to postpone a discussion on the Operational Rules until the evaluation is completed. That said, Sweden considers that the following aspects are important and should be addressed in a future revision: (i) increasing the development focus of the STDF; (ii) further clarification on how the STDF works with the private sector in STDF projects; and (iii) further streamlining processes in the STDF Working Group, to achieve efficiency gains, and reviewing the capacity of the Secretariat (in particular in relation to M&E, and communications and outreach).

34. The United States recognized and expressed appreciation for inputs made by FAO and WHO in reviewing PPG and project applications, which is extremely useful. It considered that a bigger role of the Secretariat in this process should not be at the expense of these inputs, or inputs provided by other members.

35. The Policy Committee agreed to continue the discussion on the review of the STDF Operational Rules after completion of the upcoming evaluation.

7 OTHER BUSINESS

36. The Secretariat recalled that the next Policy Committee meeting is scheduled in February 2019, to be hosted by the WTO in Geneva. It was agreed that the Secretariat would propose a day in February, for consideration by members, when circulating the draft summary report of the meeting.

37. The chairperson thanked all members and observers for their active participation. The meeting was adjourned at 12.45.

Annex 1**LIST OF PARTICIPANTS**

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