

Standards and Trade Development Facility

**Identification of parameters of good practice and
benchmarks for judging the impact of SPS-related
technical assistance**

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**This report reflects the views of the author alone and does not represent the
views of the STDF or any of its partner agencies or donors.**

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ACRONYMS AND ABBREVIATIONS

Codex	the Codex Alimentarius Commission
DTIS	diagnostic trade integration study
FAO	Food and Agricultural Organization of the United Nations
HPAI	Highly Pathogenic Avian Influenza
ICPM	Interim Commission on Phytosanitary Measures
IF	Integrated Framework
IICA	Inter-American Institute for Cooperation on Agriculture
IPPC	International Plant Protection Convention
LDC	least developed country
OIE	Organisation Internationale des Epizooties
SARS	Severe Acute Respiratory Syndrome
SPS	sanitary and phytosanitary
STDF	Standards and Trade Development Facility
WTO	World Trade Organization

Executive summary

There is an extensive literature on good practice in the provision of technical assistance, and a good deal of international agreement on the principles that should guide the provision of aid so as to maximise its effectiveness. However neither the principles nor the greater part of the literature relate directly to building sanitary and phytosanitary capacity in developing countries. This study aims to assist the work of the Standards and Trade Development Facility by examining issues surrounding best practice for the expression of demand for SPS-related technical assistance, the supply of resources by donors, and the evaluation of SPS technical assistance initiatives.

. . .

Biosecurity and food safety are fundamentally important goals for every country, for economic, social and environmental reasons. Biosecurity both facilitates trade and constrains trade. The SPS systems that ensure biosecurity and food safety are complex and expensive to build and maintain, but if they are effective their cost is amply justified by the prevention of damage to agricultural productivity, exports, human health, and the environment. Both governments and the private sector have major roles in ensuring biosecurity and food safety, and ideally they work in partnership.

There are limited resources available for ensuring biosecurity and food safety. These resources are easily wasted by poor prioritisation, by insufficient attention to complementarities and sequencing, by inter-agency rivalries, and so on. Moreover SPS regulatory regimes are prone to subversion and mis-use through corruption and rent-seeking. The broader issues of governance are therefore critically important to the design and successful implementation of effective SPS regimes. Economic impacts and political sensitivities add a further layer of complexity.

To get the most out of the limited resources available to construct and operate national SPS regimes, capacity-building plans and programmes should be driven by a focus on outcomes relevant to clearly defined goals, rather than outputs or inputs. There are, however, substantial practical difficulties in implementing this approach in the domain of biosecurity and food safety. These difficulties make the use of methodologies like cost-benefit analysis problematic in many situations.

The starting point for good practice in provision of technical assistance for SPS capacity-building in a country is careful, structured needs analysis as the basis for resource allocation. The needs analysis should consider both risks and opportunities and the technical appropriateness of specific solutions in the circumstances of the beneficiary country; the SPS regimes operated by developed countries are not necessarily good models for developing countries. The task of needs analysis can be greatly facilitated by expert application of recently developed needs assessment tools. Further critical steps are prioritisation of needs and formulation of project proposals that would meet highest

priority needs in a systematic way. Ideally these preparatory phases will lead to the compilation of a national action plan for SPS capacity-building, which can serve as a framework for attracting donor contributions in a coordinated way. Comprehensive needs analysis, project prioritisation and planning along these lines is consistent with the systems approach that is necessary to achieve sanitary and phytosanitary objectives. Without such a coherent approach it is difficult to see how many of the deficiencies discerned by the OECD and other observers in previous technical assistance initiatives can be overcome.

Observation of the outcomes of previous SPS capacity-building efforts, and examination of recent technical assistance wish-lists of a number of countries, suggests that certain categories of projects receive disproportionate attention. Developing countries and donors appear to have accorded higher priority to up-grading of legislation, to laboratory development, and to training in areas such as risk analysis. Meanwhile there are other areas of need that should be addressed more effectively; for example, ability to manage sanitary and phytosanitary services is a critical element that is chronically under-resourced. The convenient and continuous availability of expert advice on SPS matters to government agencies and the private sector in developing countries, especially LDCs, could greatly facilitate the capacity-building process. Technical assistance planning and project proposals for any developing country should be critically examined in the light of these considerations.

The study enumerates a number of criteria, in the form of questions, to assist in determining whether an SPS capacity-building initiative conforms with best practice, firstly in the design phase and then in implementation. These criteria, and other techniques like cost-benefit analysis, may also be used in ex post evaluation of the impact of capacity-building projects/programmes. An appendix outlines a generic approach to project evaluation in the SPS field.

Finally, some suggestions are offered concerning additional initiatives that might be taken by the STDF. These are:

- STDF could sponsor studies in a selection of countries on cross-cutting topics such as laboratory capacity building and risk analysis capacity building, looking for examples of good and bad practice and leading to recommendations to donors and partners on how they might develop better proposals in future that reflect proper prioritisation, sequencing, complementarity, articulation to related initiatives, sustainability, etc.; and package, publish and disseminate the results, possibly incorporating a check-list of good practice.
- STDF could support the development of a guidance document setting out a generic approach to the formulation of national action plans for SPS capacity-building, and pro-actively distribute it to relevant developing country authorities and to donors; and revise the guidance document in the light of experience of its use.
- STDF could fund the development of national action plans for SPS capacity-building in a small number of countries where there is the potential to redress past

- failures, attract significant additional flows of donor assistance into the SPS field, and demonstrate the utility of the approach to other countries in the region.
- STDF could sponsor the development of guidance to donors and partners on the importance of management capability in SPS agencies, including a toolkit of management methods and techniques adapted to the SPS environment; and support the implementation of model SPS management development programmes in several countries. The development process should involve consultation with top executives of SPS agencies in developed countries and the more advanced developing countries (e.g. Brazil, Malaysia, Kenya).
 - STDF could support other innovative and cost-effective approaches, such as the provision for a country or regional grouping of countries of an expert to supply on-demand information and advice on SPS issues including assistance with project design for capacity-building.
 - STDF could support or encourage credible cost-benefit studies, including ex ante studies of national action plans and ex post studies of individual projects, with the dual aim of demonstrating the methodology and providing examples helpful in catalyzing additional donor and partner government support for SPS capacity-building initiatives in developing countries.

It is further proposed that the STDF partners could explore ways of ensuring that each DTIS that is prepared for a country under the Integrated Framework incorporates an element that addresses in a substantive way SPS aspects of trade capacity-building.

Introduction

1. At a basic conceptual level, a country's needs for SPS capacity-building can be defined as the gap between existing and preferred SPS capacity. Every country's needs will be different. How much SPS capacity a country needs, and therefore how much technical assistance it is likely to seek, is a reflection of the SPS risks that it faces and the economic opportunities that are available to it if SPS risks are controlled. A country that does not have significant animal-based industries or vulnerable populations of wild fauna does not need elaborate biosecurity against exotic animal pests and diseases; nor does it require animal health infrastructure to underpin export trade. A country whose population is largely dependent on a staple food like maize for nutrition will attach a premium to maintaining barriers against pests of that crop. Most countries place a high priority on human health and therefore on ensuring the safety of the food supply. Additional investment in the creation of SPS capacity may be warranted to meet SPS requirements associated with potential future export trade in certain commodities.

o Scope

2. The majority of SPS-related technical assistance projects have the purpose of strengthening the capacity of beneficiary countries to manage biosecurity risks, maintain the safety of the food supply and meet the sanitary and phytosanitary requirements of importing countries. There are other instances, where technical assistance is focussed on dealing with immediate problems like SARS or HPAI, in which there may be little or no increment to on-going capacity once the programmed expenditure has occurred. This report is primarily about the former category of technical assistance and its potential contribution to international trade, but recognises that ad hoc assistance may also be vital to address issues that may very significantly affect the trade flows of developing countries.

3. The matters covered by this study are most directly relevant to least developed countries, whose need for technical assistance is greatest and for whom a rational and coherent approach to SPS capacity-building presents the greatest challenges. However the same points apply, mutatis mutandis, to other developing countries too.

o The concept of SPS capacity

4. *Sanitary and phytosanitary (SPS) measures*, as defined in Annex A of the SPS Agreement, are measures intended to protect human, animal or plant life or health against risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; or to protect human or animal health against risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs; or otherwise to prevent or limit damage from the entry, establishment or spread of pests. *SPS capacity building* refers to the enhancement of a nation's ability to design, promulgate and implement SPS measures so as to achieve the

appropriate level of protection against the risks referred to above, and to meet the SPS requirements of trading partner countries. *National SPS capacity* is not limited to the public sector: most trade is conducted by the private sector and producers and traders must have their own capacity, complementary with the resources, systems and programmes of government, to control biosecurity/food safety risks. So, for example, food producers are now usually required to operate an internal food safety system, typically one that is based on HACCP principles, and they will utilise laboratory services provided either in-house or by fee-for-service commercial facilities.

5. In a practical sense, SPS capacity has many components. For the government¹, the main components include:

- national policies, strategies and action plans
- primary and subordinate legislation
- institutional framework (ministries and other agencies)
- skilled management, and management systems and techniques
- trained professional and technical staff
- standards and technical requirements
- risk analysis capability
- systems and methods for inspection and certification
- monitoring and surveillance systems
- diagnostic / analytical laboratory capacity
- quarantine and treatment facilities
- auditing and compliance systems
- programmes to implement SPS measures and related activities
- research capability
- funding mechanisms
- trade negotiation capacity
- stakeholder consultation mechanisms
- relationships with relevant international organizations.

Usually, in developed countries at least, each of these components will be specialised to deal with animal health, or plant health, or food safety so that, for example, there will be specific legislation for animal health matters, trained veterinary staff, animal quarantine stations, animal health laboratories, and so on. The achievement of SPS objectives - like the exclusion of exotic animal pests and diseases - requires the various components to be integrated into SPS control systems, whose effectiveness depends upon the presence of a number of essential elements.

¹ With the obvious exception of items such as legislation, Ministry structures, and relationships with international organisations, the list of components that follows is also relevant, with appropriate adaptation, to the concept of SPS capacity of a business enterprise.

- o A note on typology of SPS-related technical assistance

6. SPS-related technical assistance for capacity-building targets one or more of these aspects of national SPS capacity. During the year 2000, the Secretariat of the SPS Committee prepared a paper outlining a possible typology of technical assistance needs to help Members to decide which types of technical assistance action were most appropriate. The paper (G/SPS/GEN/206 of 18 October 2000) described the objectives of technical assistance and cooperation as:

“to help beneficiary countries to improve their understanding of the SPS Agreement, implement the obligations and fully benefit from rights derived therefrom”

In this regard, the paper said, technical assistance could be systematically classified by way of four broad categories:

- information;
 - *“The activities under this category consist typically of an introduction to the WTO and the international trading system and a comprehensive presentation of the SPS Agreement and related issues. It normally takes the form of conferences, seminars or workshops.”*
- training;
 - *“This category of technical assistance flows naturally from the more general “information-type” assistance described above. . . . At the core of this type of technical assistance are issues such as the implementation of transparency provisions, application of risk analysis, determination of appropriate level of protection, recognition of equivalence and regionalization. WTO dispute settlement procedures and analysis of SPS-related trade disputes are also addressed in detail. The format of delivery is typically national/regional technical seminars, workshops or training courses. Normally these activities take place at the technical level.”*
- "soft" infrastructure development;
 - *““Soft” infrastructure development deals mostly with training activities. This type of technical assistance includes the formation of technical and scientific personnel [and] training of technical and scientific experts in the application of specific techniques and procedures such as: control and inspection, surveillance, certification, laboratory practices, risk assessment, diagnosis techniques, HACCP techniques, etc. Technical assistance dealing with the development of national regulatory frameworks is also critical. . . . One important aspect in this type of activities is harmonization of national regulations and international standards, guidelines and recommendations. Finally, this type of technical assistance includes a range of other activities such as the provision or development of SPS-related electronic software or consumer education programmes.’*

- "hard" infrastructure development.
 - *Proper implementation of the SPS Agreement provisions depends on adequate field equipment and infrastructure. Laboratories, testing equipment, veterinary services, processing and storage facilities, computer databases, disease information/monitoring systems, are some of the identified areas where technical assistance is required. This type of technical assistance also covers other aspects of infrastructure related to the SPS Agreement. For example, the establishment of disease-free regions which, in addition to the experts' know-how, requires substantial investments in infrastructure, such as the establishment of "buffer-zones", surveillance systems, etc.*

7. This typology is, in the first two categories at least, strongly focussed on WTO Member obligations. Apart from being WTO-centric, it is also potentially confusing: it includes training - a very common element amongst SPS capacity-building initiatives - under two of the four categories; and the distinction between "soft" and "hard" infrastructure is not at all clear (for example, the "hard" category includes databases and veterinary services, which many would tend to regard as not material, and therefore "soft"). Alternative typologies for technical assistance may be considered, for example:

- according to whether the assistance mainly concerns food safety, animal health or plant health;
- (particularly for projects concerning food safety) according to the phase of the chain from farm to table that is addressed by the assistance project;
- according to whether the assistance is directed towards improving the regulatory framework, the institutional framework or the technical framework.

Programmes of assistance may also be distinguished by whether they are to be implemented in one country or on a multi-country basis.

o Principles for aid effectiveness

8. The Paris Declaration on Aid Effectiveness (OECD, 2005a) sets out the principles of the aid effectiveness agenda. They can be summarised as follows:²

- **Ownership:** The development community will respect the right – and responsibility – of the partner country to exercise effective leadership over its development policies and strategies, and coordinate development actions.
- **Alignment:** Donors will align their development assistance with the development priorities and results-oriented strategies set out by the partner country. In delivering this assistance, donors will progressively depend on partner countries' own systems, providing capacity-building support to improve these systems, rather than establishing parallel systems of their own.

² The summary is taken from OECD 2006.

Partner countries will undertake the necessary reforms that would enable donors to rely on their country systems.

- **Harmonisation:** Donors will implement good practice principles in development assistance delivery. They will streamline and harmonise their policies, procedures, and practices; intensify delegated cooperation; increase the flexibility of country-based staff to manage country programmes and projects more effectively; and develop incentives within their agencies to foster management and staff recognition of the benefits of harmonisation.
- **Managing for results:** Partner countries will embrace the principles of managing for results, starting with their own results-oriented strategies and continuing to focus on results at all stages of the development cycle – from planning through implementation to evaluation. Donors will rely on and support partner countries' own priorities, objectives, and results, and work in coordination with other donors to strengthen partner countries' institutions, systems, and capabilities to plan and implement projects and programmes, report on results, and evaluate their development processes and outcomes (avoiding parallel donor-driven mechanisms).
- **Mutual accountability:** Donors and partners are committed to enhance mutual accountability and transparency in the use of development resources. Partner countries will reinforce participatory processes by systematically involving a broad range of development partners when formulating and assessing progress in the implementation of national development strategies. Donors will provide timely, transparent and comprehensive information on aid flows.

9. Particularly in least developed countries, the capacity of partner governments to fulfil their responsibilities under the principles may be extremely constrained, and so the OECD's *Principles for Good International Engagement in Fragile States and Situations* (2007 - see Annex 3) are also highly relevant.

10. Sound as these principles may be, their observance by donors and partners will contribute to but not ensure that resources for capacity-building are used efficiently and effectively. Weaknesses found by evaluation of trade-related technical assistance and reported by the OECD³ include:

- unsystematic or incomplete needs assessment;
 - weak project management and project governance structures;
 - fragmented interventions with insufficient synergies to broader development assistance programmes;
 - weak explicit linkages to poverty reduction;
 - insufficient donor coordination and complementarity at headquarters and field level;
 - inadequate internal communication and expertise on trade-related matters.
- In the same vein, Wiig and Kolstad (2003) summarized their review of the practices of some donors in the following terms:

³ OECD 2006

“In sum, the survey of five major providers of [SPS] technical assistance reveals variations in the criteria of allocation; some simply provide assistance on request, others have a long list of criteria by which to select projects. However, the organizations that do employ formal criteria in the allocation of funds have a vague specification of how the criteria are traded off against each other, and/or the criteria are to a large extent disassociated from practical allocation decisions. The allocation of funds by the major donors thus seems to be performed in an unsystematic way, with little emphasis on the effects of technical assistance. Given the current allocation practices, there is thus little reason to expect technical assistance to have a significant impact on the export opportunities of developing countries.”

Determining good practice in the demand for technical assistance

11. If SPS technical assistance is to be provided in accordance with the ownership and alignment principles set out in the Paris Declaration it is obviously important that a beneficiary country’s requests should be rational, coherent and of the highest priority in order to use available resources in the most productive and cost-effective manner. How can this be achieved in a practical way, if it is achievable at all?

- o Defining priorities and strategies

12. The Paris Declaration principles assert that a beneficiary country will “exercise effective leadership over its development policies and strategies” and make known to donors its “development priorities and results-oriented strategies”. Presumably, therefore, beneficiary countries must understand the contribution that SPS capacity must make to the achievement of development goals and make due provision for it in their strategic planning.

13. Many developing countries (especially LDCs) will not, however, be in a position to follow this precept. Firstly, for want of comprehensive and detailed data from field surveys and other sources and without even rudimentary risk analysis, a country is likely to have only a sketchy picture of the biosecurity risks (including not only risks to commercial crops and animals but also risks to native flora and fauna) and the food safety risks that its SPS capacity must address. Secondly, in many countries there is very little performance data on SPS services to enable evaluation of how effectively, or even if, existing capacity is being used. Thirdly, even if the connection between SPS capacity and maintaining market access for export products is understood, there may not be a clear picture of which exportable products will need the support of the SPS system in future in order to meet the requirements of importing countries. Fourthly, there may not be the technical capacity in the beneficiary country to give proper consideration to the choice and design of the capacity-building strategies that will most cost-effectively meet the identified needs.

14. Any countries that are in such a position might be encouraged in the first instance to seek assistance from donors for the process of developing an SPS component of

national development strategy. Indeed, since the strategic role of trade in development is the subject of the Integrated Framework, there is an argument that for LDCs the topic of SPS capacity building should be explicitly addressed in the drafting and promulgation of the Dynamic Trade Integration Strategy. At the very least, the strategic approach to SPS capacity-building should take the DTIS as its starting point.

o Identifying targets for capacity-building

15. A scan of a sample of submissions by WTO Members to the SPS Committee on their technical assistance needs⁴ gives the impression that individual SPS agencies are nominating large numbers of initiatives, of a wide variety, that they believe would improve their sanitary and phytosanitary capacity, with the usual biases towards WTO training (the typology used probably encourages requests for training workshops on the SPS Agreement), strengthening of laboratories, and risk assessment training. No doubt many countries would also be able to nominate ad hoc projects that they believe to be necessary as responses to specific trade problems that they have encountered. (There would be some correlation between these projects and the data published by major importers - the European Community and the United States especially - on rejections of import consignments. There may also be some linkages to the matters of specific trade concern raised by Members in the SPS Committee.)

16. How can a country formulate its requests to donors for commensurate technical assistance in a systematic way? There is no tool or methodology that can be employed to uniquely determine the appropriate combination of SPS systems for any country. The tools that have been developed to assist national needs assessment in the fields of food safety, animal health and plant health⁵ provide useful frameworks and checklists, and they should be employed in combination with professional expertise in the relevant field. (Most applications of the PVS tool and the PCE tool in developing countries have been carried out by veterinary and plant health experts.) As well there is the very practical methodology used implicitly by the World Bank⁶ to determine SPS capacity required to support prospective exports. A number of national assessments along these lines have been carried out⁷.

17. There are, however, several important additional points to take note of. Firstly, the needs assessment tools are not necessarily comprehensive in their scope. They do not, for example, address the critical issue of management competency (see paras. 51-55 and Box 4 below). Secondly, it should be emphasised that the enhancement of export market access through measures to aid compliance with importing country requirements is not

⁴ G/SPS/GEN/295/_, available at http://docsonline.wto.org/gen_search.asp?searchmode=simple.

⁵ The appropriate tool for evaluating food safety capability is the FAO's *Strengthening national food control systems; Guidelines to assess capacity building needs*. The OIE, together with IICA, has produced the document *Performance, Vision and Strategy (PVS): A Tool for Veterinary Services*. The *Phytosanitary Capacity Evaluation (PCE) Tool* has been developed to assist countries to undertake a needs assessment of the phytosanitary system of the National Plant Protection Organization (NPPO). The questions, where possible, are based on relevant International Standards for Phytosanitary Measures (ISPMs).

⁶ Henson, Jaffee, de Haan and van der Meer, 2002

⁷ For example, there are World Bank studies on Armenia, Lao PDR, Moldova and Vietnam.

21. In practice there are likely to be many impediments to the widespread use of cost-benefit analysis:

- Cost-benefit analyses require data, which may be difficult and/or expensive to obtain. They also take time. Consequently use of CBA as a means of prioritising projects will increase overhead costs in administration of aid programmes and increase response times.
- The causal relationship between specific initiatives and outcomes that yield benefits may be clear in some cases (see the cotton seed import example), but there will be many instances where it will be difficult to determine with reasonable confidence what have been the actual consequences of an SPS capacity-building initiative. This will be especially true where the SPS project has an objective like reducing the risk of damage from entry of a certain exotic disease; in the event the disease will either enter and do damage or not enter, but neither outcome is wholly attributable to the risk reduction initiative. It is also possible that the actual effect of an SPS project is real but cannot be identified amongst the statistical noise created by the interplay of many different influences at work. In other instances, such as reforming administrative arrangements between Ministries to clarify roles and responsibilities, strengthening management of SPS agencies, or introducing a new legal framework for food safety, it may be impossible to identify any measurable benefits in terms of outcomes like increased exports or a reduction in the number of cases of food-borne disease. Yet many beneficiaries will want such projects, and many expert observers might agree that these projects are essential components in building effective SPS agencies.
- Some SPS capacity-building projects will produce not only a stream of primary benefits (e.g. introduction of a pesticide management programme in order to keep residues in food products within limits specified by an importing country) but also secondary benefits (like less intoxication of native fauna and less pollution of streams and lakes) that should also be factored in but which may be hard to identify and quantify.
- Even if a project proposal is evaluated and found to have a high internal rate of return, it will not necessarily be a preferred or priority use of funds; some other projects, not evaluated, may offer even higher rates of return.

22. Alternatively, it might be proposed that cost-benefit analysis be applied to selected cases *ex post* in order to evaluate whether there had been a significantly positive rate of return on funds employed. The purpose would be to learn lessons that would be useful in informing future decision-making on allocation of funds available for SPS-related technical assistance. This application of cost-benefit analysis could be useful to decision-makers in many donor countries and organisations and to beneficiary countries, and is discussed further below.

28. The issue of management competence in SPS-related agencies is dealt with in the next section of this report as potentially a key focus for donors.

o Involving the private sector

29. Because the private sector is (in most countries) the generator of exports and therefore holds substantial knowledge about export markets and industry intentions, its contribution is essential for taking SPS-related export market access issues into account in the formulation of plans and priorities for capacity-building. In many instances, the export of particular products to foreign markets requires exporters to fulfil very specific sanitary and phytosanitary conditions, and the public sector to carry out complementary responsibilities. Export of fish and aquaculture products to the European Community provides one obvious example, where the actions required of both parties are prescribed in great detail. Increasingly, private importing companies (especially the very large supermarket chains) are imposing their own standards on the products that they are buying, as aids to marketing and in order to protect themselves against legal proceedings if products were found to be hazardous. These commercial requirements are separate from, but often overlap, the official requirements of the importing country. Examples include EurepGAP and Tesco Nature's Choice. Because Europe and the USA can source from many different countries, suppliers have no choice other than to comply with the private standards as well as the official SPS requirements. If the capacity to consistently meet importing country requirements is to be established, the views of key private sector individuals and organisations should be explicitly reflected in the proposals brought to donors by partner countries.

30. Where corruption is a major impediment to competent, pro-development government administration, the private sector (including NGOs) in a partner country may provide an alternative avenue for the implementation of capacity-building initiatives. At the same time, however, partner governments may be unwilling to see donor funds diverted away from the public sector. Donors may have to solicit proposals separately from the two sectors.

Determining good practice in the supply of technical assistance

31. According to the Paris Declaration's principles for aid effectiveness, summarised in para. 8 above, donors should follow certain practices in the provision of development assistance, under the headings of ownership, alignment, harmonisation, managing for results, and mutual accountability. They include:

- aligning their development assistance with the development priorities and results-oriented strategies set out by the partner country;
- progressively depending on partner countries' own systems, providing capacity-building support to improve these systems, rather than establishing parallel systems of their own;

- streamlining and harmonising their policies, procedures, and practices; intensifying delegated cooperation; increasing the flexibility of country-based staff to manage country programmes and projects more effectively; and developing incentives within their agencies to foster management and staff recognition of the benefits of harmonisation;
- working in coordination with other donors to strengthen partner countries' institutions, systems, and capabilities to plan and implement projects and programmes, report on results, and evaluate their development processes and outcomes;
- enhancing mutual accountability and transparency in the use of development resources.

Within these guidelines, donors will seek to achieve the goals of development assistance as they apply to sanitary and phytosanitary issues.

32. As suggested below (see under “Matching supply and demand”), the most convenient framework within which donors can give effect to these principles is an action planning process built on detailed needs assessment, prioritisation and development of a coherent, outcomes-oriented programme for capacity-building. Donors may, however, have to persuade the governments of partner countries that this approach is in their best interests. In relation to SPS capacity-building, they may want to argue that a comprehensive examination of needs and the compilation of a prioritised action plan is more likely to maximize the flow of technical assistance than a piecemeal approach, and more likely to extract maximum benefit from the resources that are made available.

o Creating a receptive environment for SPS capacity-building

33. In many countries, especially those that are Members of the WTO, there is broad understanding of the role that SPS systems play in international trade, and the private sector and relevant government agencies are both champions of SPS capacity-building. In some other countries there may be relatively few individuals in government who have the requisite knowledge and experience, and relatively few business enterprises with a substantial stake in export trade under SPS constraints, and their voice may not be influential in planning processes and the allocation of budget and non-budget resources.

34. Over the past decade or so there has been a considerable flow of technical assistance to developing countries to strengthen understanding of the SPS Agreement and related issues like international standard-setting. Typically this assistance has been in the form of information workshops on a national or regional basis, funded by both bilateral and multilateral aid programmes. The WTO provides resource materials to facilitate such training, and the International Trade Centre has funded the development of a 16-module, PowerPoint-based training programme with an orientation towards the interests of the business sector.¹⁰ Normally training initiatives of this kind elicit very positive feed-back from participants, who are typically mid- to senior-level technical staff, but it is not clear

¹⁰ See www.intracen.org/mts/.

whether the broadening and deepening of understanding is reaching decision-makers in either the public or the private sectors.

35. One means by which the climate for SPS capacity-building initiatives might be improved is the preparation and dissemination to key government and private sector stakeholders of a broad cost-benefit analysis of an action plan to strengthen SPS capability. In Appendix 6 of the report by Kees van der Meer and others for the World Bank on *Food Safety and Agricultural Health Management in CIS Countries*¹¹ there is a particularly interesting discussion of some applications of cost-benefit analysis to SPS management. There are costed examples of action plans for a range of countries including Lao PDR and Vietnam, together with estimated internal rates of return on implementation of these plans. Some sensitivity analysis is also provided. Analysis like this, showing estimated high returns on investment on capacity-building initiatives, can strengthen the case that the Ministers responsible for health, agriculture, border protection and inspection and other SPS matters can put forward in discussions at the highest level on the budgeting of available resources.

o Donor coordination mechanisms

36. It can be assumed that for every beneficiary country there is some kind of coordination mechanism, formal or informal, that operates between donors. In some countries (Bangladesh is an example) donor coordination is highly articulated through a system of committees with sub-committees assigned responsibility for coordination on individual topics.¹² In LDCs, the Integrated Framework supplies a standard model for coordination. Even so it is unsurprising that instances arise where white elephants are created, duplication occurs or resources are otherwise wasted for lack of proper coordination between donors.¹³ Technical assistance projects often have long lead times, they may be designed in the donor country or in a regional office rather in the beneficiary country, they may be redesigned along the way to implementation, they may be put together in haste to use up a surplus of funds or to respond to a particular market access problem, and so forth. Donors' country offices are often extremely busy and they may be under heavy pressure from a regional or central office to implement a project exactly according to its specifications and within tight deadlines, with little time or inclination for liaison with other donors. Some donors specialise, others work on a number of fronts at the one time with increased risk of cutting across the work of others. Host Ministries

¹¹ World Bank 2007

¹² However in Bangladesh none of the approximately 20 subject-matter committees for coordinating donor activities deals directly with SPS issues.

¹³ The author has had the experience of discovering mid-mission (funded by donor A) that a near identical mission had been completed in the same country by another consultant under funding from a different donor (B) just months previously. The existence of the prior study was not brought to attention by the host Ministry; nor, it appears, was the existence of each donor's study project known to the other donor. In this instance the responsibility clearly lay with donor A, who had planned the project some time before, to check for possible duplicative projects immediately prior to putting its mission into the field; with donor B to ensure that the rest of the donor community was well informed of its project; and with the host agency in the beneficiary country to notice that duplication was about to occur.

cannot necessarily be relied upon to play a de facto coordinating role between donors, if this may threaten to constrict the flow of technical assistance.

37. It is obvious that donors should conduct their planning and delivery of technical assistance projects in a highly transparent manner. To do so allows any donor to scan for potentially duplicative programmes/projects before it commences programme/project design. Then it should make public its intention to put a programme/project into the field as soon as the design has been settled. A further scan for potential conflicts may be justified immediately before implementation. Where there is a lot of SPS-related donor activity in a beneficiary country, coordination might be achieved by the simple expedient of designating one locally-based donor office or staff person to serve as the focal point for exchange of information about SPS projects.

38. It remains the case, however, that by far the best instrument of donor coordination is an integrated national action plan for SPS capacity-building, serving as a menu from which donors can make selections on which to spend their resources.

- o Donor specialisation and persistence

39. It is occasionally argued that the cause of increasing the effectiveness of aid would be served if individual donors were to specialise more, concentrating their resources on a smaller range of subject-matter areas at any one time. Similarly, it is suggested, donors could consider continuing their involvement in particular areas of capacity-building over a longer period of time in the interest of ensuring sustainability. Danida's support for the long term development of the fish/aquaculture export industries of Vietnam and Bangladesh is a possible example.

40. All donors prioritise. SPS is one focus among many, in many countries, for the large donors of Europe and North America and the major multilateral organisations. Specialisation by these donors might create the risk that some countries or topics could become orphans, and SPS might be such a topic. For smaller donors whose aid programmes have more limited objectives commensurate with their means, specialisation is indeed desirable in order to avoid spreading funds thinly over projects that do not achieve sufficient mass and momentum to make a difference.

41. Once again, the best means of dealing with the issues of concentration of resources and persistence of aid effort is the creation of a national action plan for SPS capacity-building that has a focus on establishing durable systems for SPS control and therefore has a suitably long timeframe. Donors can then choose to support those projects that match the resources they can bring to the table. Some donors may, on the other hand, choose not to commit their resources immediately to the action plan, but to hold them in reserve pending the almost certain emergence as time passes of unanticipated but pressing needs for which relatively small amounts of funding are required. Ad hoc funding of this kind can help to deal with unanticipated issues, unstick choke points and generally enhance flexibility in the implementation of the central plan.

o Dealing with poor governance and corruption

42. Any field of government regulation provides both the opportunity and the incentive (the possibility of extracting rents in the form of bribes) for graft and corruption. Sanitary and phytosanitary control is particularly prone to such pressures because it positions regulators as gate-keepers on trade flows, where the aggregate value of goods being transacted is relatively very high, there are large numbers of regulatory determinations to be made every day, and traders are susceptible to requests for illegal payments in order to keep their goods moving. Government enforcement staff may solicit and accept bribes in the course of their duties in exchange for not delaying administrative decisions; but they may also accept bribes in exchange for favourable administrative decisions that by-pass or contravert official requirements. Corruption of the latter kind is especially pernicious because it subverts the effectiveness of the control regime. For SPS agencies that provide export certification, corruption undermines their reputation for integrity and thus the acceptability of the certificates that they provide as competent authorities to their counterparts in importing countries.

43. Corruption is not confined to the activities of line officials who are charged with applying the law day by day. Lawmakers and policy advisers may also be involved, for example by taking some personal reward in exchange for shaping legal requirements to suit a private business or an industry. Bribes may take many different forms, not merely the acceptance of cash payments. And corrupt payments may often be taken indirectly, for example where regulatory staff positions are sold to allow the buyer the opportunity to access the flow of illegal revenues.

44. Where there is significant scope for corruption, it is more likely that different agencies of government will compete with each other for command over “regulatory space” so as to maximise illegal receipts, interfering in commercial activities and diverting from the real objectives and targets of SPS control. Inter-agency rivalries of this kind are a major impediment to proper prioritisation and coordination of capacity-building efforts in many countries.

45. There is the further hazard that some parties in beneficiary countries may seek to redirect aid funds into their own pockets.

46. For all these reasons SPS governance is a particularly important target for concerted action by the governments of beneficiary countries and donors. Improving governance of the SPS domain may be contingent upon improvements on a whole-of-government basis - for example: in the rules and mechanisms concerning the accountability of Ministers; in the laws addressing corrupt behaviour and regulating administrative decisions and access to information held by government agencies; in the judicial system; and so forth. Within the administrative sphere where SPS matters are handled, there are many possible initiatives to reform organisations and to limit the potential for corruption. For example:

- A buy-out plan can reduce over-staffing, and it can be coupled with a plan to progressively increase the remuneration of remaining staff to a level that reasonably rewards their effort and reduces their need to seek illegal income in order to support themselves and their dependents. Potential loss of a worthwhile legal income also provides leverage for administrative sanctions against corrupt behaviour.
- Merit-based systems of recruitment and promotion could be progressively introduced, linked to the development of performance criteria and measurement and the introduction of better pay structures.
- Agencies can promulgate a code of ethical behaviour for staff and implement programmes to build a corporate ethos of integrity in public service.
- For each agency there could be a dedicated unit to find and investigate corrupt behaviour, based on risk-profiling. The law should provide for graduated sanctions against corrupt behaviour by public servants. Those who offer bribes or otherwise solicit corrupt behaviour by public servants should equally be subject to sanction. Mechanisms should be implemented to allow public complaints about corrupt behaviour to be brought forward.

47. Amongst many barriers to implementation of administrative reform will be the shortage of funds to finance redundancies and increased, merit-based remuneration for on-going staff. Here private sector stakeholders, if relieved of the burden of “bribe taxes”, may be willing to channel part of their savings to meet the costs of reform through increased legitimate fees-for-service under a proper user-pays regime. Alternatively, donors might consider softening their traditional antipathy to funding operating expenditure of government agencies, if there were a cost and time-limited programme to effect substantial and durable reform.

48. Such initiatives may be regarded as ambitious, even absurdly so, in the many countries where the rule of law is weak (or non-existent) and governance is poor. Nonetheless, SPS capacity-building must address the development of integrity in SPS agencies, even if it is necessary to begin with small steps. Donors can play a positive role in facilitating the strengthening of governance. At the extreme, there is the option of making the provision of assistance contingent upon the progressive achievement of governance improvements, but there are other ways of minimising the adverse consequence of poor governance on capacity-building. They may include measures to prevent or deter the dissipation or diversion of technical assistance, such as:

- directing a higher proportion of aid into tangible infrastructure like quarantine facilities and laboratories;
- diverting a higher proportion of technical assistance through the non-government sector;
- strengthening accountability mechanisms on individual aid projects; and measures to avoid the confounding effect of poor governance on economic growth such as:

- linking aid projects more closely to private sector development opportunities (although countries that have poor governance may also be prone to a lower standard of integrity in business).

o Working with the private sector

49. In countries where the rule of law is weak, governance is poor and corruption is deeply entrenched, it is likely that the behaviour of the commercial sector will at least to some degree reflect that operating environment. It cannot be assumed, therefore, that channelling SPS-related technical assistance directly to the business sector will avoid risks of inefficiency, aid diversion or other malfeasance. It may suit some private interests if corrupt practices - such as the importation of foods, seeds or livestock while border control staff look the other way - are allowed to continue. Furthermore, the business sector is inherently prone to rent-seeking, and the creation of SPS capacity in the hands of private sector interests may result in the distortion of SPS priorities and unjustified interventions in legitimate commercial activity.¹⁴ Private verification agencies may be solicited to accept corrupt payments in exchange for falsifying certification. At the same time the scope for NGOs to deliver SPS-related services may be rather limited, at least insofar as such assistance may be technically specialised and outside of the normal span of activities of these bodies.

50. However there will be many circumstances where a genuine choice may be open to donors as between using the public sector and using the private sector to deliver all or some of an assistance initiative, especially if donors have actively encouraged private sector entities to make themselves available to participate as development partners. Decisions will have to be made on an ad hoc basis, and with due regard to maintenance of a positive relationship with the public sector partner(s).

o Developing management capability in SPS agencies

51. The improvement of governance in SPS agencies must also involve a special focus on the strengthening of the management of these organisations. “Management” in this context refers not to the arrangement of institutional structures, legislation, programmes and infrastructure to fulfil an organisational mandate to maintain food safety or biosecurity¹⁵; rather it relates to the personal competencies of the individuals placed in management positions within SPS agencies, and the things that they do and the means that they use to make things happen.

¹⁴ For example, in one notorious instance a private company obtained from the government of a particular country a monopoly to conduct x-ray screening of cargo containers entering at the port, a service that it imposed on imports essentially without regard to the risk profile of the cargo (and without regard to the inadequacies of the technology employed) and at a fee that vastly exceeded the cost of providing the service. Similarly a private sector laboratory might seek to monopolise provision of testing services needed for SPS control.

¹⁵ See for example the section on “Food control management” in the FAO’s *Strengthening national food control systems: Guidelines to assess capacity building needs*.

52. For various reasons (possibly including high turnover rates, nepotism and corruption, ignorance of the importance of the issue, lack of tools to address deficiencies, etc.) very few SPS-related technical assistance projects specifically and directly aim to build stronger management capability in SPS agencies of beneficiary countries. Yet it is improbable that any SPS agency can effectively carry out its functions without a fully competent management team. The challenges are even greater where only very limited resources are available. Experience suggests strongly that management of an SPS agency is a complex and demanding role.

53. Some of the tasks of managers of SPS agencies are indistinguishable from those of managers in other areas of government; some are characteristic of regulatory organisations; and some are specific to organisations that are responsible for biosecurity and food safety. Top managers need not be technical experts, but they do need to be able to understand major technical issues and to make appropriate decisions on matters involving technical considerations. It is also characteristic of SPS agencies that the normal course of programme implementation is intermittently interrupted by crises of one kind or another: an incursion of a new pest or disease with the potential to cause significant damage to crops or livestock; rejection of an export consignment on arrival in an importing country by reason of contamination with a chemical residue or the presence of a quarantine pest; an outbreak of life-threatening food-borne disease; and so forth. Competent, preferably experienced, and well-prepared management is a crucial element in the successful handling of such incidents, the cost of which may otherwise be extreme.

54. The following is a list of some issues that need to be addressed appropriately by the management of an SPS agency, and for which these managers must have the relevant competencies.

- Structuring SPS regulatory agencies
 - optimising administrative arrangements to achieve SPS objectives
 - centralisation versus regionalisation
 - effective cooperation with related agencies
- Regulatory strategies
 - command-and-control regulation
 - regulatory partnership and co-regulation
 - use of quality assurance systems, HACCP, etc
 - setting the appropriate level of protection
- Management development
 - modelling executive leadership in a regulatory organisation
 - coaching, mentoring and other management development techniques
 - measuring management performance
 - staff feedback mechanisms
 - business concepts and regulatory agencies of government
 - integrating science and operational management

- Business planning
 - strategic planning, including definition of mission/goals/objectives
 - annual and multi-year business planning
 - needs assessment and estimation of resource requirements
 - prioritisation
 - performance indicators, milestones and reporting obligations
 - optimising international technical assistance

- Business risk management
 - biosecurity risks and business risks
 - identifying and evaluating business risks¹⁶
 - strategies and techniques for control of business risks
 - management information systems

- Biosecurity/food safety breakdowns and crisis management
 - emergency preparedness planning
 - decision-making in emergency situations
 - stakeholder liaison in emergency situations
 - media management in crisis situations
 - techniques of risk analysis
 - risk-based approach to resource allocation

- Financial management
 - budgeting
 - cost recovery policy
 - mechanisms for cost recovery
 - financial reporting systems

- Performance measurement and evaluation
 - SPS performance indicators
 - biosecurity/food safety system testing by trial emergency exercises
 - internal audit of programme implementation
 - the role of external evaluation
 - evaluation of individual staff members' performance

¹⁶ For example:

- * Staff do not have the training and tools they need to do their jobs consistently.
- * Stakeholders do not understand the agency's work; these include international and other national government agencies, agency clients, and other areas of the Ministry.
- * The agency will not be ready when new legislative provisions are finalised or when new systems are introduced.
- * Work systems/processes will be underdeveloped or insufficient to deal with new challenges.
- * The agency will not have the necessary data, or data analysis, to know where the major challenges lie.

- Human resource management
 - recruitment and promotion protocols
 - defining, building, and retaining technical skills
 - relevant training tools and resources
 - individual development plans
 - staff consultation and industrial relations
 - remuneration principles
- Integrity
 - strategies and tactics for coping with and reducing corruption
 - code of ethics for agency staff
 - incentive structures
 - internal audit and investigation
 - building a reputation for integrity
- Compliance and enforcement
 - investigation protocols
 - ensuring the integrity of compliance staff
 - penalty and incentive structures
- Legal framework
 - principles of the legal framework (clarity of purpose, comprehensiveness, minimisation of overlap between agencies, primary versus subordinate legislation, etc)
 - optimising trade-offs (eg administrative flexibility versus risks of inconsistency, uncertainty and scope for corruption)
- Communications
 - communications policy
 - media skills development
 - identifying stakeholders and their role
 - mechanisms for communicating with stakeholders
- Record keeping and management
 - policy on record-keeping
- Information technology applications
 - recording border interceptions, and other specialised applications
 - electronic certification of SPS requirements (export and import)
 - coordination with other border agencies
- Government relations
 - informing and advising ministers on SPS issues
 - elucidating government policy directions

only from developed countries, with high price tags attached. But the quality of consultant services is likely to be quite variable, and there may be some degree of positive correlation between price and value.)

Matching supply and demand of SPS related technical assistance

- o Developing a national action plan

58. It is increasingly accepted in the donor community that good practice for the design and delivery of SPS-related technical assistance should follow procedures that have important elements in common with the approach of the (enhanced) Integrated Framework for trade-related development assistance, the essence of which is a concerted donor response to a coherent plan for capacity-building based on detailed needs assessment. The optimal approach to matching demand for and supply of technical assistance for SPS capacity-building is the preparation of a national programme comprised of prioritised individual projects. Key steps in the process for the formulation of a national plan include:

- understanding and recognition in the beneficiary country of the essential relationship between SPS (biosecurity and food safety) capacity and national economic, social and environmental goals;
- clear identification in the beneficiary country of the roles and responsibilities of relevant Ministers and agencies of government, and of coordination mechanisms needed both to liaise with the donor community and to deal with internal issues that may arise;
- recognition of the interest and role of the private sector in SPS capacity-building, including the strengthening of biosecurity and food safety capability of individual enterprises;
- identification at the national level of broad strategies and priorities in relation to biosecurity and food safety;
- using available methodologies and expert advice, detailed needs assessment for capacity-building of SPS systems in each of the areas of animal health, plant health and food safety, having regard to both external threats and export¹⁸ possibilities, and to the needs of both the public and private sectors;
- identification of priority initiatives for funding by donors and the beneficiary country from its own resources, taking into account complementarities, sequencing, sustainability and risks of non-performance;
- compilation of a national action plan for SPS capacity-building in both the public and private sectors, including contingent relationships between donor-funded projects and local initiatives, and between earlier and later projects;
- design of individual projects to achieve increments in capacity, with associated milestones and performance measures;

¹⁸ Exports may include services such as in-bound international tourism, which is influenced by, inter alia, a country's reputation for safe food, its environmental amenity, and other factors that depend in part on SPS capacity.

- consideration of the action plan, either individually or (for preference) collectively, by donors who enter into commitments to provide resources for implementation over an appropriate time period and with full transparency;
- the government of the beneficiary country and the private sector make complementary commitments;
- regular progress reporting by all parties
- regular review and up-dating of the action plan to take account of progress made and new developments.

59. The central feature of this presentation of good practice is the compilation and implementation of a *national action plan for SPS capacity-building*. It is not implied that this plan should incorporate every initiative that increases SPS capacity; there will be, for example, other initiatives that are taken ad hoc in response to immediate needs. But the plan should be sufficiently comprehensive to serve as the main framework for bringing coherence and focus to capacity-building. The plan should also be flexible in response to unanticipated events, such as changes in national political priorities, or an uncoordinated intervention by a donor.

60. Various criticisms might be offered concerning this schema for good practice in SPS capacity-building. One is that it presents an idealised solution that is unconstrained by the realities of poor governance in beneficiary countries, the limitations of needs assessment methodologies, and the inflexibilities imposed by budget cycles and conflicting priorities in donor countries. These are indeed major concerns, as are a range of other factors. Plainly any model for rational provision of support for capacity-building must be adapted to the circumstances in which it is to be employed. The level of corruption in government and the weakness of the private sector, for example, should influence capacity planning just as the existence of common borders with other countries is an important consideration in designing biosecurity strategies.

61. Ultimately, of course, the criterion by which the proposed schema is to be judged is whether in practice it is likely to prove superior to any alternative approach, having regard both to the (non-negligible) cost of putting the approach into practice as well as the outcomes in terms of efficient capacity-building. There is a debate in development circles between those who, allegedly, favour a top-down, planning approach to development assistance and those who argue for a bottom-up, piecemeal approach. In the much narrower field of SPS capacity-building, the history of assistance seems to indicate that it has in fact been the latter approach (the piecemeal aspect at least) that has been followed much more often than the former, as might be expected where there are multiple donors each with their own agenda and where beneficiaries are inclined to put forward requests that are more likely to receive funding support and/or that accord more with narrow institutional (or even private) interests.

62. The action planning approach should have at least these advantages over a piecemeal approach to capacity-building:

- The comprehensive reviewing of all capacity gaps should ensure that all of the most important things that need to be done are brought forward for

consideration, rather than only those projects that are nominated by the beneficiary government or that catch the eye of a donor.

- The same comprehensive needs assessment allows SPS capacity to be correctly viewed as the combination of elements working together as systems, so that technical complementarities are taken into account.
- Action planning is driven by demand, in the form of risk reduction or support for export activities, so that there should be less potential for investment in “white elephants” - grandiose or unnecessary projects that are unrelated to priority needs.
- Providing an action plan as a framework within which donors can cooperate should reduce the probability of overlapping or duplicative effort.
- An SPS capacity-building action plan can give this area of policy a higher profile in domestic budget discussions and when donors are allocating available funds, and its coherence should reinforce donors’ confidence that proposals for use of their funds have been well thought out.
- Development of an action plan can help to highlight the need for clarification and reform of SPS-related institutional and legislative arrangements within the beneficiary country.
- The comprehensive approach complements actions to prepare for accession to the WTO and to implement post-accession commitments in the SPS field.

o Coordinating development of the plan

63. A national action plan can only be developed as the joint endeavour of donors, partner country authorities and (desirably) representatives of the private sector. If food safety, plant health and animal health issues are all to be covered, a significant number of organisations need to be involved. Lead agencies and donors would have to be designated, and an appropriate consultative and deliberative framework set up to prepare detailed documentation for consideration and approval at the political level in the beneficiary country. Not merely political endorsement but strong political commitment will be required in order to drive the plan into implementation.

o Regional approaches

64. Some SPS programmes, and their associated needs for capacity-building, can only work effectively on a regional basis. Bringing Foot and Mouth Disease or HPAI under control in any country in Southeast Asia, for example, will be difficult if not impossible if neighbouring countries do not also have the diseases under control. When countries in a region agree that a regional control programme should be pursued, this priority should be reflected in national action plans for SPS capacity-building if and when they are drawn up.

- o Cost

65. The cost of developing a national action plan for SPS capacity-building might be in the vicinity of \$150,000 per country. Costs will vary for many reasons, including the availability of local expertise in SPS issues, the existence of relevant prior studies and useful databases, the comprehensiveness of the needs assessment that is carried out, and the extent of consultation with stakeholders. The figure given here is based on anecdotal information about several recent projects to draft action plans, and back-of-an-envelope calculations drawing on the author's own experience of SPS-related missions in a number of countries. Possibly the cost might be as low as \$100,000 or as high as \$200,000 per country. More precise estimation would be worthwhile only in reference to a particular country and its specific circumstances.

- o Capacity-building without a plan

66. In the near term, it is not reasonable to expect that national action plans will be drawn up for more than a few countries; and in the longer term many countries might still miss out. Consequently, where a comprehensive action plan is not available, matters must proceed piecemeal as they have done in the past. Absent a comprehensive plan, how can donors and their partners improve the *quality* (relevance, cost-effectiveness, sustainability, etc.) of the programmes and projects that they agree should be implemented in the SPS field?

67. One approach might be to promote more careful analysis before projects are proposed for funding. On the evidence of past SPS capacity-building initiatives in many countries, there are some obvious targets: bids for support for laboratory development (see Box 3 above), and risk analysis training (see Box 5 below) typically need more incisive scrutiny than they apparently receive. Guidance offered to development partners should emphasise that SPS control is achieved by *systems*: that is, not by laboratory capacity *per se* but by laboratory analysis as a component of a risk-based monitoring and surveillance programme delivered by trained inspectors operating under relevant legislation and detailed administrative instructions.

68. Another initiative might be to increase the availability to donors and partner countries of on-demand SPS expertise to assist in, inter alia, project selection and design.¹⁹ Such a proposal would respond to the very evident need in many countries for continuity of availability of expert advice, to deal with matters ranging from the trivial ("where can I find a standard for mineral water that we might adopt?") to the complex ("would it be possible for us to export meat to the European Community, and if so what steps should we take?")

¹⁹ The STDF Working Group has previously considered, but not accepted, a project design that proposed the establishment of a position of Standards and Trade Advisor in Cambodia for as period of two years. Part of this proposal is at Annex 4. There may be alternative, cost-effective ways of meeting the needs that this proposal attempted to address.

of cumulative toxins like lead or cadmium may take years to become evident. In any event, a developing country may not have the means of determining whether an outbreak of a food-borne disease is attributable to a domestic strain of a virus, say, or a newly imported strain.

72. There are also great difficulties in attributing causal relationships to individual SPS initiatives. For one thing, it may not be clear that a sanitary or phytosanitary problem, such as the incursion of an exotic animal disease like Japanese encephalitis, is the consequence of system failure (illegal importation of infected animals, say) or natural events (migration of egrets carrying the disease across international borders). Even if system failure is the apparent cause, it may not be feasible to determine which system or part of a system has failed: entry of an exotic fruit fly might be by means of inadequate control of passenger traffic through airports, by means of the failure of checks on legitimate imports of host fruit, or by means of illegal imports of host fruit. Alternatively, it may be clear that the probable entry path of a pest has been via a failure of passenger controls at an international airport adjacent to the outbreak site, but unclear whether the fault lies with inadequate luggage x-ray equipment, poor training of x-ray machine operators, poor passenger risk profiling, or some other factor.

73. In any event, it should be clear that sanitary and phytosanitary *outcomes* are typically the result of the performance (or non-performance) of SPS *systems*, and the impact of SPS-related technical assistance will be easier to evaluate where the assistance is targeted on a system and where its contribution to the capability of the system is likely to have been considerable rather than negligible. So, for instance, technical assistance aimed at facilitating access for farmed fish to the European market via a suite of complementary initiatives (addressing, say, on-farm water quality testing, chemical control and residue monitoring, conformance of processing plants with EU requirements and establishment of a competent authority for certification of exports) is more amenable to evaluation in terms of outcomes than, say, an isolated initiative to draft necessary legislation. It is conceivable that a technical assistance initiative may by itself complete a necessary SPS system: a post-entry plant quarantine station that allows, in conjunction with complementary quarantine components that already exist, the import of higher-performance seeds to proceed; or introduction of a particular residue test in an accredited laboratory, thereby allowing resumption of an interrupted trade in a particular commodity to a particular market. Such examples, however, are not typical of SPS technical assistance.

74. Since most SPS capacity-building initiatives are fragmentary rather than holistic, there will typically be no clear connection to consequential outcomes and evaluation will be confined to determining whether the initiative was implemented as designed.

- o Previous evaluations of SPS capacity-building initiatives

75. In accordance with the terms of reference for this study, the author contacted a number of individuals to seek further information on evaluations undertaken and their

views on evaluations of SPS-related technical assistance generally. Their responses²³ can be summarised like this:

- There are very few evaluations of SPS-related technical assistance projects available in the public domain.
- Amongst other evaluations, few attempt to measure outputs or outcomes, or to measure the difference between pre- and post-intervention capacity, or to draw relevant lessons from the evaluation.
- The OECD evaluations of trade-related assistance are useful (as referenced above - see Paras. XXX).

o Qualitative and quantitative evaluations

76. There is a propensity to look for quantitative analysis as the basis for judging the merits of technical assistance projects where the goals of projects include economic parameters like improvements in trade performance. For a number of reasons, as mentioned previously, it may be expensive and/or difficult to carry out quantitative studies. Consequently qualitative analysis will have to be used, drawing out and presenting the relevant information in a manner that allows expert judgment to be applied.

o An approach to evaluations of SPS capacity-building impacts

77. Given the methodological and practical difficulties outlined above, how should the impact of SPS-related technical assistance be judged? One approach is to develop an evaluation in levels or stages, starting with considerations of project design and moving on to post-implementation evaluation.

78. So in the first instance, an SPS initiative might be examined to establish whether it met conventional criteria for a technical assistance project/programme, along these lines:

- Was the initiative non-duplicative of other technical assistance initiatives or plans?
 - Were other donors informed of plans for the initiative?
- Was the initiative accorded a high priority by the partner government?
 - Did the donor agree with this assessment of priority?
- Was there political commitment to the project/programme in the partner country?
- Did the initiative respond to a clearly evident and publicly stated need, based on proper needs assessment?
- Was the initiative part of a coherent, multi-year national action plan for SPS capacity-building?
 - Or did the initiative respond to an urgent and unanticipated need, like the emergence of a new, more pathogenic strain of disease?

²³ - mostly from Kees van der Meer and Steven Jaffee of the World Bank.

- Was it clear exactly what inputs were needed from the beneficiary country as well as the donor?
- Was there a clear and precise specification of the outputs that were expected from the initiative?
- Was there a qualitative or quantitative description provided of the relationship expected to exist between outputs and outcomes (improvements in human health and welfare through strengthened food safety measures, for example)?
 - Was a prospective cost-benefit analysis carried out?
- Were technical complementarities taken into account within the initiative and between the initiative and the existing SPS systems in the beneficiary country?
- Were possible synergies with other projects adequately explored?
- Was the private sector involved appropriately in the design and the implementation of the initiative?
- Was the initiative designed to perform optimally in the context of the political, economic and administrative environment of the beneficiary country, including in the design measures to minimise the potential for diversion and waste?
- Were the benefits of the initiative likely to be sustained after cessation of the technical assistance programme?
- Was the design of the initiative sufficiently flexible to accommodate unanticipated changes in circumstances?
- Was an efficient and effective project management structure specified?
- Was there provision for post-implementation monitoring and evaluation?

Other issues could also be addressed.

79. In essence these criteria go to the question of whether an initiative was developed according to the precepts for good practice on the part of donors and partners.

80. The second level of evaluation would be concerned with what happened in the implementation phase.

- Was the initiative implemented as planned?
 - Were any deviations from the plan clearly justified?
- What were the project/programme outputs?
 - Were they in accord with expectations?
- Were consequential actions taken by the partner (e.g. passage through the legislature of new food safety legislation developed with technical assistance), as anticipated by the project plan?
- Were capacity improvements sustained (e.g. did newly trained staff occupy positions that would utilise their additional skills and competencies)?
- What do well informed individuals believe was the effect of the project/programme in terms of outcomes (reduction in risk, reduction in

disease, increased exports, increased productivity from safe importation of new genetic material, etc.)?)

- Opinions could be expressed in qualitative or quantitative terms.
- How does the value of these outcomes compare with the cost of the inputs by donors and partners?

81. A third level of evaluation could be a formal *ex post* cost-benefit analysis, subject to the availability of sufficient relevant data on outcomes (or proxies for outcomes) reasonably attributable to the technical assistance inputs.

82. To facilitate project design and evaluation for SPS-related technical assistance a generic approach, including a questionnaire has been prepared and is included as

Conclusions and recommendations

83. In the light of the above analysis, it is suggested that the Standards and Trade Development Facility could:

- Sponsor studies in a selection of countries on cross-cutting topics such as laboratory capacity building and risk analysis capacity building, looking for examples of good and bad practice and leading to recommendations to donors and partners on how they might develop better proposals in future that reflect proper prioritisation, sequencing, complementarity, articulation to related initiatives, sustainability, etc.; and package, publish and disseminate the results, possibly incorporating a check-list of good practice.
- Support the development of a guidance document setting out a generic approach to the formulation of national action plans for SPS capacity-building, and pro-actively distribute it to relevant developing country authorities and to donors; and revise the guidance document in the light of experience of its use.
- Fund the development of national action plans for SPS capacity-building in a small number of countries where there is the potential to redress past failures, attract significant additional flows of donor assistance into the SPS field, and demonstrate the utility of the approach to other countries in the region.
- Sponsor the development of guidance to donors and partners on the importance of management capability in SPS agencies, including a toolkit of management methods and techniques adapted to the SPS environment; and support the implementation of model SPS management development programmes in several countries. The development process should involve consultation with top executives of SPS agencies in developed countries and the more advanced developing countries (e.g. Brazil, Malaysia, Kenya).
- Support other innovative and cost-effective approaches, such as the provision for a country or regional grouping of countries of an expert to supply on-demand information and advice on SPS issues including assistance with project design for capacity-building.

- Support or encourage credible cost-benefit studies, including ex ante studies of national action plans and ex post studies of individual projects, with the dual aim of demonstrating the methodology and providing examples helpful in catalyzing additional donor and partner government support for SPS capacity-building initiatives in developing countries.

84. In addition, the STDF partners could explore ways of ensuring that each DTIS that is prepared for a country under the Integrated Framework incorporates an element that addresses in a substantive way SPS aspects of trade capacity-building.

Annex 1

Terms of Reference (excerpts)

1. The Consultant shall perform the following tasks for the STDF:

Task 1 Identification of parameters of good practice and benchmarks for judging the impact of SPS-related technical assistance

Background

2. The objective of the first task for the Consultant is to:
 - develop parameters of “good practice” in the delivery and receipt of SPS-related technical assistance; and
 - develop benchmarks for judging the impact of SPS-related technical assistance.
3. The report of the Consultant and his conclusions and recommendations will inform further research and fieldwork to be undertaken by the STDF in 2008 to examine good practice and identify the impact of past SPS-related technical assistance. More information on the STDF research is contained in document STDF 175.

SPS-specific information sources

8. STDF research work on aid flows to Central America, East Africa and three countries of the Greater Mekong Delta sub-region have underscored the difficulty of obtaining project documentation for SPS-related technical assistance projects.
9. One element of the research work has been the collection of project documentation, notably evaluation reports where they exist. An important element of this study will be to contact the consultants who undertook this research to obtain evaluations of project documentation, where such evaluations exist.

Typology of Technical Assistance

13. It is important that good practice be considered not just in terms of the relationship between provider and beneficiary, but also in terms of the type of assistance which is being provided. The evaluation criteria applicable in relation to a two-week specialized SPS training course run by the WTO may differ from those applied to a multi-annual, multi-country programme of the European Commission to strengthen SPS controls in the fisheries sector.

14. Four broad categories of assistance were defined in a document circulated by the WTO Secretariat to the SPS Committee (G/SPS/GEN/206):

- Information
- Training
- Soft infrastructure
- Hard infrastructure

15. A further consideration is the targeting of assistance. Assistance may have a specific sectoral focus (e.g. to poultry farmers) or may be of broader application (e.g. good hygienic practice). Assistance may also be targeted at one country, a group of countries, or a particular category (e.g. least developed countries, ACP, etc.).

Report

16. The final report should contain no more than 35 pages (not including appendices and annexes) ...

Preparation of a presentation

17. The Consultant shall prepare a PowerPoint presentation (15 slides maximum) - accompanied by a set of speaking notes – related to the final report and to be used for presentation by the STDF Secretariat at the STDF Working Group meeting scheduled in November 2007.

Annex 2

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Annex 3

Principles for Good International Engagement in Fragile States and Situations

(OECD, 2007)

A durable exit from poverty and insecurity for the world's most fragile states will need to be driven by their own leadership and people. International actors can affect outcomes in fragile states in both positive and negative ways. International engagement will not by itself put an end to state fragility, but the adoption of the following shared Principles can help maximise the positive impact of engagement and minimise unintentional harm. The Principles are intended to help international actors foster constructive engagement between national and international stakeholders in countries with problems of weak governance and conflict, and during episodes of temporary fragility in the stronger performing countries. They are designed to support existing dialogue and coordination processes, not to generate new ones. In particular, they aim to complement the partnership commitments set out in the Paris Declaration on Aid Effectiveness. As experience deepens, the Principles will be reviewed periodically and adjusted as necessary.

The long-term vision for international engagement in fragile states is to help national reformers to build effective, legitimate, and resilient state institutions, capable of engaging productively with their people to promote sustained development. Realisation of this objective requires taking account of, and acting according to, the following Principles:

THE BASICS

1. Take context as the starting point. It is essential for international actors to understand the specific context in each country, and develop a shared view of the strategic response that is required. It is particularly important to recognise the different constraints of capacity, political will and legitimacy, and the differences between: (i) post-conflict/crisis or political transition situations; (ii) deteriorating governance environments, (iii) gradual improvement, and; (iv) prolonged crisis or impasse. Sound political analysis is needed to adapt international responses to country and regional context, beyond quantitative indicators of conflict, governance or institutional strength. International actors should mix and sequence their aid instruments according to context, and avoid blue-print approaches.

2. Do no harm. International interventions can inadvertently create societal divisions and worsen corruption and abuse, if they are not based on strong conflict and governance analysis, and designed with appropriate safeguards. In each case, international decisions to suspend or continue aid-financed activities following serious cases of corruption or human rights violations must be carefully judged for their impact on domestic reform, conflict, poverty and insecurity. Harmonised and graduated responses should be agreed, taking into account overall governance trends and the potential to adjust aid modalities as well as levels of aid. Aid budget cuts in-year should only be considered as a last resort for the most serious situations. Donor countries also have specific responsibilities at home in addressing corruption, in areas such as asset recovery, anti-money laundering measures

and banking transparency. Increased transparency concerning transactions between partner governments and companies, often based in OECD countries, in the extractive industries sector is a priority.

THE ROLE OF STATE-BUILDING & PEACE-BUILDING

3. Focus on state-building as the central objective. States are fragile when state²⁴ structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations. International engagement will need to be concerted, sustained, and focused on building the relationship between state and society, through engagement in two main areas. Firstly, supporting the legitimacy and accountability of states by addressing issues of democratic governance, human rights, civil society engagement and peace-building. Secondly, strengthening the capability of states to fulfil their core functions is essential in order to reduce poverty. Priority functions include: ensuring security and justice; mobilizing revenue; establishing an enabling environment for basic service delivery, strong economic performance and employment generation. Support to these areas will in turn strengthen citizens' confidence, trust and engagement with state institutions. Civil society has a key role both in demanding good governance and in service delivery.

4. Prioritise prevention. Action today can reduce fragility, lower the risk of future conflict and other types of crises, and contribute to long-term global development and security. International actors must be prepared to take rapid action where the risk of conflict and instability is highest. A greater emphasis on prevention will also include sharing risk analyses; looking beyond quick-fix solutions to address the root causes of state fragility; strengthening indigenous capacities, especially those of women, to prevent and resolve conflicts; supporting the peace-building capabilities of regional organisations, and undertaking joint missions to consider measures to help avert crises.

5. Recognise the links between political, security and development objectives. The challenges faced by fragile states are multi-dimensional. The political, security, economic and social spheres are inter-dependent. Importantly, there may be tensions and trade-offs between objectives, particularly in the short-term, which must be addressed when reaching consensus on strategy and priorities. For example, international objectives in some fragile states may need to focus on peace-building in the short-term, to lay the foundations for progress against the MDGs in the longer-term. This underlines the need for international actors to set clear measures of progress in fragile states. Within donor governments, a "whole of government" approach is needed, involving those responsible for security, political and economic affairs, as well as those responsible for development aid and humanitarian assistance. This should aim for policy coherence and joined-up strategies where possible, while preserving the independence, neutrality and impartiality of humanitarian aid. Partner governments also need to ensure coherence between ministries in the priorities they convey to the international community.

²⁴ The term "state" here refers to a broad definition of the concept which includes the executive branch of the central and local governments within a state but also the legislative and the judiciary arms of government.

6. Promote non-discrimination as a basis for inclusive and stable societies. Real or perceived discrimination is associated with fragility and conflict, and can lead to service delivery failures. International interventions in fragile states should consistently promote gender equity, social inclusion and human rights. These are important elements that underpin the relationship between state and citizen, and form part of long-term strategies to prevent fragility. Measures to promote the voice and participation of women, youth, minorities and other excluded groups should be included in state-building and service delivery strategies from the outset.

7. Align with local priorities in different ways in different contexts. Where governments demonstrate political will to foster development, but lack capacity, international actors should seek to align assistance behind government strategies. Where capacity is limited, the use of alternative aid instruments —such as international compacts or multi-donor trust funds—can facilitate shared priorities and responsibility for execution between national and international institutions. Where alignment behind government-led strategies is not possible due to particularly weak governance or violent conflict, international actors should consult with a range of national stakeholders in the partner country, and seek opportunities for partial alignment at the sectoral or regional level. Where possible, international actors should seek to avoid activities which undermine national institution-building, such as developing parallel systems without thought to transition mechanisms and long term capacity development. It is important to identify functioning systems within existing local institutions, and work to strengthen these.

8. Agree on practical coordination mechanisms between international actors. This can happen even in the absence of strong government leadership. Where possible, it is important to work together on: upstream analysis; joint assessments; shared strategies; and coordination of political engagement. Practical initiatives can take the form of joint donor offices, an agreed division of labour among donors, delegated co-operation arrangements, multi-donor trust funds and common reporting and financial requirements. Wherever possible, international actors should work jointly with national reformers in government and civil society to develop a shared analysis of challenges and priorities. In the case of countries in transition from conflict or international disengagement, the use of simple integrated planning tools, such as the transitional results matrix, can help set and monitor realistic priorities.

9. Act fast ... but stay engaged long enough to give success a chance. Assistance to fragile states must be flexible enough to take advantage of windows of opportunity and respond to changing conditions on the ground. At the same time, given low capacity and the extent of the challenges facing fragile states, international engagement may need to be of longer-duration than in other low-income countries. Capacity development in core institutions will normally require an engagement of at least ten years. Since volatility of engagement (not only aid volumes, but also diplomatic engagement and field presence) is potentially destabilising for fragile states, international actors must improve aid predictability in these countries, and ensure mutual consultation and co-ordination prior to any significant changes to aid programming.

10. Avoid pockets of exclusion. International actors need to address the problem of “aid orphans” – states where there are no significant political barriers to engagement, but few international actors are engaged and aid volumes are low. This also applies to neglected geographical regions within a country, as well as neglected sectors and groups within societies. When international actors make resource allocation decisions about the partner countries and focus areas for their aid programmes, they should seek to avoid unintentional exclusionary effects. In this respect, coordination of field presence, determination of aid flows in relation to absorptive capacity and mechanisms to respond to positive developments in these countries, are therefore essential. In some instances, delegated assistance strategies and leadership arrangements among donors may help to address the problem of aid orphans.

Annex 4

[Excerpt from STDF project proposal of July 2005 concerning establishment of a position of Standards and Trade Advisor in Cambodia]

“3.5.7 Another recent report²⁵, which has been accepted by the RGC, has made the following observations:

“ This is a critical time in the development of Cambodia’s SPS capacity. A significant food safety breakdown, or an outbreak of a major animal or plant pest or disease that is not quickly and effectively controlled, could cause a serious setback to economic and social progress in Cambodia. Although there are some impressive individuals in the RGC administration, local resources are insufficient to manage current responsibilities, let alone to engage effectively with the tasks of capacity-building.

It would be useful to make SPS expertise available on a continuing basis in country, for the use of the RGC and the donor community. Relevant considerations include:

- SPS capacity building is a relatively technical area in which local missions are unlikely to maintain expertise in-country
- A competent expert familiar with a wide range of SPS capacity issues could be the focal point for answering questions and facilitating contacts and information gathering for RGC agencies on a day-to-day basis, with great benefit to the effective implementation of agencies’ action plans.
- An expert who was familiar to, and had the respect of, the key Ministries in this field (and who avoided being captured by one Ministry or another) could identify areas in which capacity-building was lagging and the reasons why, and might have opportunity to bring such situations to the attention of the RGC at an appropriately senior level.
- Such an expert would also be a valuable resource for the donor community by facilitating coordination and contributing to future planning processes.

The logistics of this proposal potentially present a number of difficulties, not least amongst them the problem of finding an appropriately experienced contractor or contractors who could serve at least 50 per cent of the time in Cambodia for a period of a year or more. It is, however, an idea with such potential benefits that it warrants very close study.”

3.5.8 The provision of such a resource, in the form of an expert Standards and Trade Advisor located in Phnom Penh, would be fully consistent with the aims of the STDF and would meet a clear and significant need. The objectives of stationing an S&T Advisor in Cambodia would be:

²⁵ See Gascoine (A)

- to provide of a generally-available resource for information and expert advice on SPS issues;
- to facilitate SPS capacity-building activities by the Royal Government of Cambodia and the private sector;
- to enhance information flows and liaison networks within Cambodia and with relevant parties in other countries on SPS issues;
- to assist the private sector to anticipate and overcome SPS barriers to export trade development.

- 3.5.9 With these objectives in mind, the main activities of the S&T Advisor would be:
- to establish effective working relationships with all relevant organisations and individuals, become familiar with current SPS-related activities and plans, and participate in established coordination processes and mechanisms as appropriate;
 - to encourage and facilitate a coordinated approach to SPS capacity-building in Cambodia based on systematic and comprehensive needs assessment;
 - to consult stakeholders to identify key SPS capacity-building needs in Cambodia, assist in the formulation of project proposals, and provide advice as appropriate to potential donors;
 - to establish appropriate mechanisms for the regular dissemination of relevant information on national and international SPS-related activities, including the methodologies and recommendations that may become available from other STDF projects already underway;
 - to respond to requests for information and advice on SPS-related issues and, where necessary, obtain a response on the more complex matters from relevant national and international bodies;
 - to encourage and facilitate the development of expertise in SPS issues in Cambodian nationals through dialogue, training, coaching and mentoring;
 - to utilise a modest tranche of funds to support small, high-return activities consistent with these activities and the broader objectives.

3.5.10 A singular advantage of this option is that the Advisor would be able to allocate time flexibly to meet the highest priority at any given time. This flexibility would mean that the Advisor could, inter alia, help to initiate or facilitate the projects outlined in Options 1 and 2 above, if it were timely to do so. An early supporter of this proposal for an STDF project from amongst the three options canvassed here is the FAO Representative in Cambodia.

3.5.11 The prospective cost of maintaining the Advisor in Cambodia would be of the order of \$175,000 per year for a full-time contractor, one locally-engaged support staff and associated costs, plus a small provision of \$50,000-60,000 per annum to be used flexibly by the Advisor to fund key, high value/low cost initiatives in support of the general objective.

3.6 Rationale for proposed project

3.6.1 The principal reasons for proposing the establishment of the position of S&T Advisor are the evident need for expertise in SPS issues in Cambodia and the opportunities that exist to build capacity in the public and private sectors to deal effectively with SPS matters, especially as they affect export trade. Noting the very limited capacity of Cambodia's public sector institutions to provide expert advice and information to private sector stakeholders, the availability of the services of the S&T Advisor may be especially valuable to businesses and farmer groups.

3.7 Outputs

3.7.1 The major outputs of the project would be:

- a significant contribution to SPS capacity-building via direct inputs and facilitation of more, better-targeted projects in the field;
- facilitation of development of practical approaches to addressing technical barriers to export of agricultural/fishery/food products;
- a proven model applicable in other developing countries.”

Annex 5

Schematic approach to evaluation of SPS-related technical assistance projects

This document concerns itself with the evaluation of SPS-related technical assistance projects, including both the development and implementation of such activities. A comprehensive treatment of project evaluation in the sphere of technical assistance is not attempted; the purpose rather is to draw to attention issues that arise where the conventional and well known techniques of project evaluation²⁶ are applied to SPS-related projects.

Modalities

- o Mandate

As in any field, SPS-related project evaluations ideally will have the support of both donors and beneficiary country.

- o Personnel

Although some SPS-related technical assistance projects are very similar to each other (for example, the conduct in various countries of a national workshop on the implementation of the SPS Agreement), each project is different. Even within the field of SPS the range of subject matter can be very broad. Only on rare occasions will it be the case that the available data point unequivocally to a particular conclusion from the evaluation process. Consequently the application of expert judgment as the principal means of reaching conclusions will be essential. This will be true whether qualitative or quantitative methods of evaluation are employed.

Inevitably a range of skills and expertise will be needed. Therefore in most situations a team approach will be required, with one or more of the members of the independent evaluation team an expert in the field of animal or plant health or food safety as appropriate. Local experts also need to be engaged in the evaluation process to provide information, interpretation of facts, and advice.

- o Procedures

There is no particular reason why procedures for evaluation of SPS-related technical assistance projects should differ substantively from procedures used for projects with other subject matter. Of course there should always be consideration given to any appropriate adaptation of standard procedures to the specific circumstances of the case under review. For some projects desk evaluation may be adequate, but typically the conduct of an evaluation will involve a sequence of phases such as:

²⁶ See, for example, the various guides made available by the European Commission at http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gui_en.htm.

- establishment of evaluation team
- data collection and familiarisation
- country visit for additional data collection and interviews
- data review and preparation of draft report
- circulation of draft report to key parties for comment
- finalisation of report
- presentation.

Data collection procedures may include circulation of a questionnaire adapted to the project under review, interviews with those directly involved with the project, consultation with independent experts, and other methods as appropriate to the circumstances.

o Parameters and benchmarks

Evaluation essentially consists in comparison of actual events with desired or intended outcomes. In order to make the comparison, there has to be at least some degree of comparability between the descriptors of actual events and the descriptors of desired outputs or (preferably) outcomes. So, for example, a national programme to improve health through strengthening of food safety measures may have as one of its desired outcomes a specified reduction in the number of days of ill-health attributable to food-borne disease; and analysis of the programme outputs may show a certain improvement in the average quality of food on sale from which a corresponding reduction in disease can be inferred. In this example, the *parameter* is the amount of disease attributable to consumption of food and the *benchmark* is the amount by which the project was intended to influence the parameter (i.e. the project goal). Alternatively, the parameter could be taken to be the average quality of food on sale, but in that event there would have to be a third element - a known or assumed relationship between the parameter (expressed in units such as proportion of samples found to be in violation of microbiological and chemical contamination standards) and the benchmark (expressed in units of attributable days of ill-health). Or the benchmark could be taken to be a desired improvement in the percentage of violative samples, but in that case the question would arise as to the relationship between the benchmark and the higher order objective of improving human health.

In the real world, relating project outputs to desired social outcomes is extremely problematic (as discussed further below). In any period parameters will be subject to a range of influences of which some will be unrelated to the technical assistance project, and it may be difficult or impossible to disentangle their respective contributions to the measured change in the value of the parameter. To compound the problem, for a single project there may be multiple parameters that are relevant.

The establishment of benchmarks is also problematic. Goals may be set for projects that are in fact not achievable by the means proposed or with the resources allocated. The result of the evaluation in these circumstances may be to call into question the validity of the benchmark rather than the successful implementation of the project.

Evaluators must bear these methodological and practical difficulties in mind as they carry out their work.

- o Ranking tools

Many, probably most issues covered in an evaluation of an SPS-related technical assistance project will ultimately be the subject of some kind of qualitative judgment. Even where parameters can be expressed quantitatively (e.g. *the percentage reduction in the incidence of infection of orchards by fruitfly over three successive seasons during which control measures were implemented, compared with the average incidence of the previous five years*) it may be necessary to make a judgment as to whether this measured value is economically significant to growers and whether the associated improvement in productivity and export market access represents an adequate return for the investment by donors, the government of the beneficiary country and the private sector stakeholders.

There are various ways in which qualitative judgments can be summarised, the most common amongst which are value scales. So, for example, a particular activity or outcome might be ranked on a scale such as very low/low/moderate/high/very high or unsatisfactory/poor/fair/good/excellent. Alternatively, assessors might be requested to give a particular event a grading on a numeric scale where the lowest number (say 1 on a ten-point scale) represents the worst possible rating and the highest number - 10 - represents an outstanding result. Scales can be supplemented with general descriptions of the meaning to be attached to each point on the scale. Scores assigned by different assessors can be averaged.

It is problematic whether a system could be developed to enable a summation of an assessment of a project by addition or other mensuration of qualitative scores on the various attributes evaluated. Since typically many attributes will be assessed, some basis for weighting the different items will have to be found and the choice of weighting may materially affect the overall outcome. Possibly no two projects would warrant the same weighting scheme.

Project cycle aspects

- o Project initiation

The initiator may have been a donor, or an agency of the beneficiary government, or a private sector body (including NGOs). Essentially factual information should be recorded on how a project was initiated: by whom, and when. Some description of the antecedent activities that led to project initiation will be useful. These data are background for conduct of an evaluation, and no assessment of the information is required. Related issues, such as the extent of donor and beneficiary commitment to the project, are covered under other headings below.

The evaluation team should obtain the relevant information from project documentation and/or by request to informed individuals by means of questionnaire or interview.

o Methodology of project design

The choice of appropriate methodology for project design depends on, inter alia, the scale, complexity, duration and urgency of the project. Larger and more complex projects with longer timeframes should be designed using a methodology (such as the Logical Framework Approach²⁷) that covers all relevant issues, identifies all necessary inputs and establishes specific output requirements (“objectively verifiable indicators”) expressed as milestones, key performance indicators, and so forth. Smaller and/or more urgent projects may have to be developed in a more ad hoc manner. Different design methodologies may be preferred according to whether the intervention under evaluation has a relatively narrow objective or there was a multiplicity of outputs (and outcomes) expected.

There is no one design methodology that is intrinsically more suited to application to SPS-related projects than alternative approaches. It is a matter for expert judgment whether the appropriate methodology has been chosen, and whether it has been used effectively and efficiently. In this regard it is useful to refer to a template such as the AusAID guideline referenced above.

Accordingly the evaluation team should consider:

- what methodology was used, and why;
- whether there appear to have been better (more cost-effective) alternative methodologies available;
- whether the methodology was used to the best effect.

These matters should be considered in the light of information and opinions provided by the project designers.

o Project description

No special considerations apply to the preparation of the description of a project by reason that is SPS-related. Projects should be accurately described, and in sufficient detail to ensure that there is no room for doubt about whether there is overlap or duplication between different projects.

o Project objectives

A statement of the objectives of an SPS-related project might be along lines such as:

“To increase the productivity of the livestock sector and enhance export market access for live animals and animal products by significantly reducing the incidence of [specified] animal disease through strengthening of national systems

²⁷ See, for example, AusAID (Commonwealth of Australia): *AusGuideline 3.3 The Logical Framework Approach*; October 2005 (at www.ausaid.gov.au/ausguide/pdf/ausguideline3.3.pdf)

for veterinary diagnosis, monitoring and surveillance and through technical support to livestock farmers to facilitate disease control by means of vaccination.”

More detailed explanation would normally follow, and should include reference to other objectives that might simultaneously be served by the project, and to constraints (such as the need to avoid introducing yet other animal diseases in poor quality vaccine batches imported from other countries).

Full and accurate description of the objective(s) of an SPS-related project is crucial to proper project design and implementation. Objectives should be presented so that they can be seen in the context of the overall rationale for the project, and so that the assumed causal relationships between inputs, outputs and outcomes (higher order objectives) is evident. (Identification of these relationships is a central feature of the Logical Framework methodology.) If such an analysis is not available from the project documentation, the project designers should be requested orally or by questionnaire to explain what had been their intention.

- o Relationship to broader goals (economic and social welfare, environmental protection, etc.)

SPS-related projects are not ends in themselves but are commissioned in order to serve a social purpose: increasing economic or social welfare, protecting the natural environment, etc. In principle projects should be evaluated according to the net benefits that they produce in these domains; projects that have different objectives cannot be compared one with another except in such terms. However it is extremely difficult to determine what the net benefits of any project might have been in terms of the higher order objectives; and it is also extremely difficult to make a conclusive comparison between different projects (as in the case where one project has superior benefits in raising incomes but the comparator has a more favourable impact upon the equity of distribution of income and wealth). Ultimately such conundrums can only be resolved by the application of expert judgment, informed by a knowledge of the social and political criteria of beneficiary governments and donors, to weigh up the various outcomes of any intervention.

The contribution of an SPS-related project to the achievement of higher order goals should be elucidated as clearly as possible, so that both expert evaluators and the wider audience of interested parties can make their own judgments. This process should begin with the identification of all of the outputs of a project and description of their relationship to wider societal goals. So far as possible, outputs should be assessed quantitatively. Where significant periods of time must elapse before the full effects of an initiative will be observable (as in the case of an eradication campaign on a particular animal disease like tuberculosis, which may take a decade or more before the disease is definitively eliminated from the national herd and from reservoirs in wild animal populations), it will be appropriate to make estimates of ultimate effects based on partial data available at the time of the evaluation.

For those countries for which a diagnostic trade integration study has been prepared, there may already be considered commentary in that study on the connection between SPS-related initiatives and positive outcomes in the export sector.

- o Project priority

SPS technical assistance projects should be aligned with the priorities of the beneficiary country. The range of potential projects is wide, and a number of ministers, ministries and agencies are likely to have involvement with SPS issues. Projects that are given a high priority by a particular ministry may not enjoy the same priority from a national perspective. It may be difficult for an evaluation to establish whether properly considered national priorities were the prime determining factor in the decision to fund a particular project.

Ideally priorities will derive from a systematic and thorough needs assessment for SPS capacity-building, utilising the tools which have been developed for this purpose. If no such comprehensive assessment has been carried out, evaluators should seek explanation of how priority was accorded to a particular project, and evidence of the efforts made to ensure that no superior alternative use of resources was available.

- o Complementarity and linkages

Design of SPS-related technical assistance projects must take into account

- the need to avoid duplication or overlap;
- the importance of systems approaches to achieving SPS outcomes and potential synergies between separate capacity-building initiatives;
- proper sequencing of capacity-building initiatives.

Evaluators should seek input from project designers on how these potential problems and related matters were addressed, and evidence from other stakeholders of the success of these efforts.

- o Private sector involvement

Among the many connections between SPS-related initiatives and private sector interests:

- SPS capacity-building may have an important role in facilitating increased export market access, especially for agricultural, forest and aquatic products. Priorities for expanding export market access depend upon the intentions of private sector producers and traders.
- The private sector may be capable of providing some of the facilities and services that augment SPS capacity - for example, analytical and microbiological testing.
- Official SPS requirements, and associated cost recovery arrangements, can add to private sector costs.

Evaluators should enquire from both project designers and private sector representatives how private interests and concerns were taken into account.

o Sustainability

It is a common observation that projects do not lead to sustained improvement in capacity because beneficiaries are unable to (or are not committed to) maintain and use the assets and capabilities created by technical assistance initiatives. It is notorious that the establishment or up-grading of laboratories leads to no strengthening of sanitary or phytosanitary control if machines are not maintained, consumable supplies provided, trained staff retained, and samples submitted for analysis. In such cases the benefits that are observable on completion of the project may progressively decline and even disappear entirely as time passes. Projects should be designed so as to minimise such an eventuality.

In response to inquiry by the evaluation team the project designers should be able to demonstrate that issues surrounding on-going maintenance of capacity increments were identified and addressed in some appropriate manner; and after implementation of the project, it should be possible to gather evidence that the measures planned to ensure sustainability had been put in place.

o Governance aspects

No special considerations apply to the governance of SPS-related technical assistance projects. Evaluators will wish to give consideration to issues such as:

- the preparation and use of a detailed project plan
- the joint management arrangements implemented by the donor and the beneficiary's host agency
- the project approval procedure
- mechanisms for effective coordination between all interested agencies of the beneficiary government, and with the private sector
- the procedure for selection of the project delivery agent
- use of local expertise
- whether proper project risk analysis was carried out (eg in relation to potential confounding factors like inter-agency rivalries, corruption, etc.)
- financial management
- measures intended to avoid diversion of project resources (IT equipment, vehicles, subsistence and other allowances, etc.).

o Resource allocation

As for other technical assistance projects, it is good practice for resourcing of SPS-related projects to include a significant contribution from the beneficiary country. Where local contributions are made in kind, evaluators should consider carefully how such inputs were accounted for.

- o Performance measures

In the conventional way, project plans should incorporate detailed timetables showing both intermediate milestones and end dates for all specified outputs.

- o Specific donor obligations

Donor liaison and coordination is essential to the efficient use of available resources. Project design and implementation procedures should incorporate mechanisms to ensure that all donors that are actually or potentially involved in SPS-related technical assistance projects in partnership with the beneficiary country are informed about progress in project preparation and delivery. Ideally donors will concert their activities so as to bring greater coherence to the process of SPS capacity-building.

- o Specific beneficiary obligations

Project designs should reference the activities that beneficiaries are expected to carry out subsequent to the project in order to consolidate and sustain the capacity increments or other gains that are intended to be the project outputs.

- o Transparency and accountability arrangements

Donors and beneficiaries should agree on arrangements for ensuring that interested parties are given access to information about SPS-related technical assistance projects.

Project implementation aspects

In this phase the evaluators should establish whether the project was implemented as planned, and the extent and explanation of any variations from the plan. Essentially this requires the gathering of factual information. The approach to be taken in this phase is not specific to SPS-related technical assistance projects.

One category of variations concerns intentional changes to the plan or the project administrative arrangements, occasioned by unanticipated changes in circumstances or by agreement between the parties during project implementation that some amendment to the planned approach was warranted in order to improve potential outcomes.

More importantly, evaluators must establish whether the project met its performance targets in terms of the nature and quality of outputs, timeliness, financial requirements, and so forth. Any deviations from the project plan should be identified and explanations sought for them.

Post-implementation evaluation aspects

The purpose of ex post evaluation of SPS-related technical assistance projects is two-fold: to ascertain whether the projects achieved their objectives in the manner intended,

and to draw conclusions about project design and implementation that will be useful in shaping future strategies and plans for activities in this field.

o Levels of evaluation

In the hypothetical example referred to above (“To increase the productivity of the livestock sector and enhance export market access for live animals and animal products by significantly reducing the incidence of [specified] animal disease through strengthening of national systems for veterinary diagnosis, monitoring and surveillance and through technical support to livestock farmers to facilitate disease control by means of vaccination.”) the project could be evaluated at three levels:

1. Were the national systems strengthened and were farmers supported?
2. And if so, was there a reduction in the specified disease attributable to the project, and by how much?
3. And if so, did the reduction in the disease result in an attributable increase in productivity and market access, and with what effects on incomes, wealth, equity and so forth?

The evaluation should also consider whether there were any other impacts of the project that should be taken into account in the overall summation.

Some SPS-related technical assistance projects may not be particularly susceptible to multi-level evaluation, for a range of possible reasons: they may be too remote from higher order objectives for any causal relationship to be established, or they may simply be too small in scale to have any discernible impact at the higher level (as in the case of a single national workshop providing information to 25 mid-level officials on the provisions and implementation of the SPS Agreement). Such projects will have to be evaluated against more immediate goals, like the creation of the preferred national SPS infrastructure.

Many other projects that aim to strengthen national infrastructure may have to be evaluated in terms of their contribution to the creation of the SPS infrastructure deemed to be appropriate for the beneficiary country, rather than in terms of their contribution to higher order objectives. (The SPS capacity of a country contributes in a multiplicity of ways to the achievement of higher order objectives, but it is rarely possible to single out and value the contribution of an individual increment to infrastructure to the contribution of the whole system to export market access, human health, environmental protection, etc.) Accordingly evaluators will have to somehow obtain an understanding of the national goal for SPS infrastructure, and then judge whether a project has made a cost-effective contribution to the creation of that infrastructure. National SPS needs assessment can frame the preferred infrastructure, but it is a major project in itself to make this assessment.

- o Description of supposed relation between project outputs and higher order objectives

The burden of explaining how immediate project objectives relate to the achievement of higher order objectives, at least in respect of the hypothesised chain of causality, rests in the first instance with project designers. Evaluators should seek such explanations in project documentation and in communications with those responsible for the project under evaluation. If projects have been properly designed, attention will have been given to the identification of relevant parameters and benchmarks, which will in turn have given guidance for the collection of the data necessary to work out whether the predicted effects have occurred.

If the purpose of an ex post evaluation is to attempt to determine what effect a project, through its immediate outputs, may have had on higher order objectives, the task of establishing the chain of causality may fall to the evaluators. How this task can be approached will depend to a considerable extent on the circumstances. An SPS-related technical assistance project may remove critical barriers to increased trade, or lead in a direct way to an improvement in human health, and here it will be relatively easy to link outputs with outcomes; if causal relationships are not so direct (and especially if relevant data are not available), judgments will have to be made and any conclusions expressed in a more qualified way. In either case the evaluators will have to enumerate all of the effects that might flow from a project, determine which of them are significant enough to warrant further study, collect relevant data and then make an assessment (qualitative or quantitative) of the size of those effects.

- o Applicability of quantitative analytical techniques

Standard quantitative techniques like cost-benefit analysis may be applicable, provided sufficient data are available and provided that there is a plausible hypothesis about causal relationships so that outcomes can be properly compared with the inputs that gave rise to them.