

## **SUMMARY REPORT OF THE STDF POLICY COMMITTEE MEETING**

**9 November 2007**

**OIE Headquarters, Paris**

### **Opening remarks by Chairman of the Policy Committee**

1. Welcoming participants, Dr Bernard Vallat, Director-General of the OIE, observed that the STDF was proving to be a successful initiative. He recalled the success of the OIE STDF project on the development of the Performance, Vision, Strategy (PVS) tool. This project demonstrated how STDF could reach its goals with only limited amounts of funding.
2. Dr Vallat stated that participation in meetings of the STDF Working Group constituted a major commitment on the part of partners and donors. In this light, he felt that less time should be spent on discussions related to the approval of projects and project preparation grants and more attention given to harnessing the expertise of the Group in policy and strategic issues. Building on initiatives such as Aid for Trade, STDF should also be specific on how it aimed to reach its goals. He stated that the governance framework of the Facility had reached a good balance between partners, observers and donors. As such, the rules governing the STDF should remain as currently drafted, unless there were clear reasons to change them. Referring to STDF funding, he noted that funding levels were still below the target established by the Policy Committee in December 2006 and he felt that more could be done to raise the profile of the STDF, both by partners and donors.

### **Adoption of the agenda**

3. The agenda was adopted without amendments. A list of participants is provided in **Annex 1**.

### **Opening statements by Policy Committee members**

4. Mr Harsha V. Singh, Deputy Director-General of the WTO, thanked OIE for hosting the meeting and highlighted that the STDF was developing into a fully-fledged funding and coordination mechanism. This process had been facilitated by the adoption of the Medium Term Strategy in December 2006 as well as the conclusion of framework agreements on the implementation and supervision of STDF projects with FAO, the World Bank and ITC. The development and receipt of project proposals of good quality was cited as a constant challenge.
5. Mr Singh saw the STDF coordination function operating at three levels: global, regional and national. At global level, synergies were being sought with the Aid for Trade initiative. Links with the OECD were being strengthened to monitor and evaluate the quantity and quality of SPS technical assistance provided. At regional level, coordination was being pursued through the regional consultation work. At national level, greater use could be made of existing mechanisms, including the Enhanced IF. Referring back to Dr Vallat's opening remarks, Mr Singh recalled the cooperative nature of the Facility and emphasized that the success of the Facility depended on input from all parties.
6. Mr Ezzeddine Boutrif, Director, FAO Nutrition and Consumer Protection Division, recalled that FAO hosted two international standard setting bodies referenced under the SPS Agreement. He stated that FAO remained committed to the STDF as demonstrated by the signature of a framework agreement between FAO and WTO. Overall, FAO was pleased with the direction in which the STDF was moving.
7. Referring to the independent evaluation of the FAO which would be discussed at the FAO Conference in Rome in November 2007, Mr Boutrif mentioned that SPS had been identified as a future priority area. The evaluation encouraged FAO to enhance its activities with partner

organizations in this area and he cited STDF as an example in this regard. He recalled that the budget for STDF funded projects was still modest and thought that more funds for SPS-related technical assistance should be channelled through the STDF.

8. Mrs Awa Aidara-Kane from the WHO Department of Food Safety, Zoonoses and Foodborne Diseases stressed that WHO remained committed to the STDF and welcomed the strengthening of the Secretariat. She noted the increased involvement of STDF staff in the preparation of projects and project preparation grants and welcomed additional funding possibilities provided by the STDF, in particular in the food safety area.

9. Mr John Lamb from the World Bank's Agriculture and Rural Development (ARD) Department stressed that the World Bank also remained committed to the work of the STDF. He mentioned that the potential of the STDF was still relatively unknown within the organization and that opportunities for STDF to contribute to initiatives in the World Bank, such as the Trade Standards Practitioner's Forum, should be further explored. He invited the Secretariat to visit the World Bank to make presentations and discuss these issues. He also stressed that SPS-related technical assistance should not just focus on market access but also take the domestic health situation into account, which in turn might further open the door to additional funding sources.

10. Mr Tim Leyland from the UK Department of International Development (DFID) thanked the OIE for hosting the meeting. While recognizing that donors had different requirements, he welcomed the STDF's move in the direction of a coordination mechanism and centre of excellence based on good practice. For Mr Leyland the message that SPS issues were a true bottleneck in gaining and maintaining market access needed to go out more strongly. He noted that it had become clear that the Secretariat needed further staffing and acknowledged donors' awareness that STDF was currently under-funded. The UK attached great importance to the Aid for Trade initiative and the Enhanced IF, and it was essential that further synergies between these initiatives and the STDF were established. He agreed that the rules governing the STDF were adequate – though some fine-tuning was needed. For donors it was particularly important that the Facility would operate in a fully transparent manner.

#### **Status report by STDF Secretary**

11. The Secretariat provided an overview of the Facility's operations based on a draft narrative annual report for 2007 (STDF 209). Looking at project funding, the STDF had met its targets as defined in the 2007 Operating Plan. In addition, it was noted that outstanding projects had been contracted following the conclusion of framework agreements with FAO, the World Bank and ITC. Further conclusion of similar arrangements with other partners and observer organizations was key for the WTO in order to continue to host the Secretariat in the future. A trend to approve STDF projects for funding outside the Facility was observed and more thought needed to be given to the Secretariat's role in this regard.

12. STDF's coordination role had been implemented mainly through tracking SPS related technical assistance flows and through regional consultation workshops as part of the broader regional reviews of Aid for Trade. The regional consultations exercise had been successful in broadening the audience from technical experts in the food safety, animal and plant health area to trade and development officials more generally. The second stage of the regional consultation work would focus on bringing the supply of and demand for technical assistance in balance. Research on good practice would also be undertaken. Results of this work would be evaluated by partners and donors at the June 2008 Working Group Meeting before further research would be commissioned in 2008-09. Additional work on a compendium of technical assistance providers would commence in December 2007.

13. Turning to funding, the STDF had received approximately US\$3.3 million in contributions from donors in 2007 - below the target set by the Policy Committee in December 2006. A strategy had been developed to raise more funds for the STDF (document STDF 186) and STDF information

events had been held with several existing and potential donors. A preference for multi-annual contributions, where possible, was highlighted. No funding had been received as yet for 2008 and beyond. One suggestion made by FAO was to hire an expert to assist with fundraising.

14. The Secretariat recalled that a preliminary draft of its annual report had been discussed in the Working Group and was to be finalized by the end of the year.

#### **Issues arising from evaluations of STDF projects**

15. The Secretariat introduced document STDF 205 which provided a compilation of lessons learnt from the evaluations of three early STDF projects (STDF 14, 37 and 56). The three project evaluations showed that improvements needed to be made at two levels of the project cycle, i.e. project design and project implementation. The Secretariat recalled that many concerns arising from the evaluations had been anticipated and addressed by the new STDF Operational Rules adopted in December 2006. Further improvements could be made however and a number of recommendations including further amendments to the Operational Rules were highlighted.

16. The Secretariat presented proposed amendments to the Operational Rules (document STDF 139) as agreed by the Working Group.

17. The Policy Committee decided to further amend paragraph 23 on developing country representation in the STDF. It agreed that the chairman of the SPS Committee should have a choice in his/her recommendation of candidates and that the Secretariat should maintain a roster. Extension of developing country representation to include an LDC member was explained by the need to formalize the link with the Enhanced IF. The Policy Committee also agreed to further amend paragraph 24 on the selection criteria of developing country representatives and included new text reflecting the mixture of expertise deemed necessary for these positions.

18. The Policy Committee agreed to revise paragraph 90 on the evaluation of STDF projects to include guidance on the selection process for evaluators. It was decided that the Secretariat should maintain a roster of evaluators and that a shortlist of evaluators for each STDF project was to be circulated to the Working Group for comments. Some members highlighted the importance of the terms of reference for evaluations and noted that these should not go beyond the objectives of the project. The Secretariat agreed to circulate the Evaluation Guidelines for STDF projects to the Working Group for further comments.

19. The Policy Committee adopted the Operational Rules, as amended.

#### **STDF Operating Plan 2008-09**

20. The Secretariat presented the Operating Plan 2008-09 which focused on four thematic areas: coordination, project development, project funding and dissemination of results. Coordination was envisaged at the global, regional and national level. One key element was exploiting synergies with the Aid for Trade initiative and the Enhanced IF. It was hoped that this linkage would generate more requests for project development grants and project funding.

21. Continued efforts were to be made in disseminating results and publicizing the STDF through participation in meetings, organization of thematic workshops, inclusion of STDF in WTO training activities and through a further upgrade of the website. A tri-annual newsletter was also planned. One overall challenge was to structure better the wealth of information available and make better use of the limited time available in Working Group meetings. Meetings would focus on specific themes (laboratory infrastructure in April and private standards in June 2008), while information sharing on new and upcoming events by partners and donors would become a standing item to be scheduled early in each meeting agenda. Finally, the Secretariat stressed the need to further increase the Secretariat's size in order to implement the Operating Plan.

22. Members of the Policy Committee highlighted the importance of project preparation grants as an instrument to help developing countries make good quality requests for funding. In terms of dissemination, it was repeated that STDF was a joint effort and that more could be done by all partners, donors, beneficiaries and observers to publicize the STDF.

23. The Policy Committee formally adopted the Operating Plan for 2008-09.

#### **Information from Policy Committee members**

24. Mr John Lamb provided information on the workshop on laboratory infrastructure to be held under the STDF umbrella in November at WTO. Dr Bernard Vallat highlighted the challenge of quantifying benefits of SPS controls in the food safety, animal and plant health area. He referred to a conference on the consequences of globalization on animal health which had discussed issues of the costs animal health controls *vis-à-vis* the costs of animal disease outbreaks. Due to globalization, he expected more problems with animal diseases in the near future and hoped that the STDF could play a role in this regard (more information on the OIE conference could be found on the OIE website). Mr Ezzeddine Boutrif referred to two high-level events on the margins of the upcoming FAO Conference in Rome in November 2007, on Aid for Trade and on food safety and quality.

#### **Other business**

25. The STDF Secretary recalled that the next Policy Committee meeting would be scheduled for December 2008 - with the time and place still to be agreed.

**Annex 1****STDF POLICY COMMITTEE****List of Participants**

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