

 Standards and Trade Development Facility

#### SUMMARY REPORT OF THE STDF WORKING GROUP MEETING 30-31 OCTOBER 2017 WTO, GENEVA

### **1 ADOPTION OF AGENDA**

1. The meeting was chaired by Ms Renata Clarke (FAO). The presentations made in the STDF Working Group can be viewed on the STDF website.<sup>1</sup> A list of participants is provided in **Annex 1**.

2. The agenda was adopted with three amendments: (i) the selection of the new vice-chairperson of the STDF Working Group was postponed to the second day, as requested by the World Bank Group; (ii) the IPPC requested to move its proposed agenda item related to STDF/PG/503 to agenda item 6 ("Overview of ongoing and completed projects"); and (iii) donor members would confirm their representatives in the STDF Policy Committee (2018-2019) under agenda item 7.

### **2 OPERATION OF THE FACILITY**

### 2.1 STDF Policy Committee

3. The Secretariat informed that the OIE kindly offered to host the STDF Policy Committee on 23 February 2018. As discussed in the March 2017 meeting, the three main topics to be discussed by the Policy Committee will be: (i) preparation for the next external evaluation of the STDF, scheduled in the second half of 2018; (ii) the funding situation of the STDF; and (iii) the need (if any) for a further review of the STDF Operational Rules.

4. The Working Group approved the draft agenda for the Policy Committee meeting.

5. The Secretariat proposed to start preparing terms of reference for the upcoming evaluation, which will be shared with the Working Group for comments. Draft terms of reference will then be submitted to the Policy Committee in February 2018, for approval. The Secretariat expects the final evaluation report to be available in the first quarter of 2019.

6. Members were reminded that an electronic working group was created to discuss possible amendments to the STDF Operational Rules. However, this group had not undertaken any work since 2016. The Secretariat agreed to follow up with a separate message to the Working Group, outlining membership, process and work undertaken in this electronic group to date.<sup>2</sup>

#### 2.2 Selection of SPS experts from developing countries

7. The Secretariat informed that three developing country experts (Mr Ravi Khetarpal, Mr Babacar Samb and Ms Maria Clara Vidal<sup>3</sup>) will leave the STDF at the end of 2017. Hence, new candidates must be selected for the period 2018-2019. The Working Group agreed on a deadline of <u>17 November 2017</u> for members to send recommendations to the Secretariat. The experts nominated for the period 2017-2018 will continue to serve the STDF in 2018 (Dr Isa Kamarudin, Mr Kenneth Msiska and Ms Michèle Paultre). Members thanked the outgoing experts for their services.

#### 2.3 Staffing and financial situation

8. The Secretariat reminded members that Mr Pablo Jenkins is on special leave without pay and is being replaced, on a temporary basis, by Ms Nazia Mohammed. The Secretariat also informed that the recruitment process to fill Ms Kenza Le Mentec's position (at grade 8) is expected to be finalised in November/December 2017, in accordance with WTO procedures. Ms Le Mentec's position is currently being filled, on a temporary basis by Mr Giles Chappell. The Secretariat recognised and thanked Ms Nazia Mohammed and Mr Giles Chappell for their work.

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

<sup>&</sup>lt;sup>2</sup> An email was sent to members on 13 November 2017.

<sup>&</sup>lt;sup>3</sup> Ms Vidal was replaced by Ms Delilah Cabb for the purpose of the October 2017 meeting.

9. The Secretariat also thanked Mr Andrew Sherman from the United States who interned with the Secretariat in the summer of 2017. A new intern, Ms Ece Yalavaç, recently joined the Secretariat in October 2017. In addition, as part of the WTO Young Professional Programme (YPP), Ms Onon Sukhbaatar from Mongolia will join the Secretariat from January to December 2018. Members were encouraged to suggest suitable candidates who would be interested in an internship with the Secretariat, for a period of up to six months. The Secretariat also recognized the ongoing support provided by STDF's communications consultant, Ms Elena Immambocus, and STDF's M&E Consultant, Mr Jens Andersson.

10. With reference to the tables in Annex 2 of the Annotated Agenda, the Secretariat provided information on the financial situation of the STDF Trust Fund. As of 30 September 2017, contributions were received from Australia, Canada, the EC, Ireland, the Netherlands, Sweden and the United States (USDA & US-FDA), amounting to a total of **US\$3,757,710**. More recently contributions were also received from France (€50,000) and Germany (€150,000).

11. The Secretariat explained that the STDF trust fund currently shows a positive balance of approximately **US\$300,000**, while total funding requested from the STDF for PPGs and projects is approximately **US\$4.8 million**. Members were reminded that in case of insufficient resources, funding must be prioritized in accordance with the order established in the Operational Rules (paragraph 86), i.e. staffing, coordination activities, project preparation grants, and finally, project grants. Additional projects may be approved, but implementation can only take place if and when funding becomes available (paragraph 87).

12. The Secretariat also reminded members that the Working Group approved 4 PPGs and 5 projects in March 2017. Hence, the STDF has already met its target in the 2017 work plan to approve at least 4 PPGs and 4 projects in 2017.

13. Members welcomed Norway's announcement that it is negotiating an agreement with the WTO, under which it expects to contribute approximately **US\$500,000** to the STDF. France pledged an increase in its contribution for 2018 and beyond. The United States commended the Secretariat for its work and pledged a slight increase in the contribution from USDA for 2018, while the contribution from US-FDA will remain the same as in 2017. The Secretariat noted that it will continue to follow up with interested donors on potential contributions to the STDF.

14. The chairperson recognised the strength of the STDF partnership and highlighted the importance of strengthening the link between resource mobilization and strategic planning in the STDF. The possibility of donors co-funding STDF projects should also be considered, including in the prioritization process. Mr Khetarpal (developing country expert) suggested expanding the STDF donor base by aligning the outputs of STDF work more closely with the SDGs. Several donors (including Sweden and the EC), as well as FAO, reiterated the importance of linking the STDF's work to SDGs, including to sharpen the poverty links and focus on cross-cutting issues such as gender, to increase relevance and broaden the funding base for the Facility. A suggestion was made to include an initial discussion in the Policy Committee meeting on the STDF's vision, strategy and resource mobilization strategy. The Secretariat thanked all donors for their contributions and pledged contributions.

### 2.4 STDF 2016 Annual Report

15. The Secretariat briefly introduced the report and highlighted the key messages, including the performance of STDF projects in leveraging additional resources. The Secretariat thanked STDF's communications consultant, Ms Elena Immambocus, for her invaluable support in assisting to prepare and improve the Annual Report.

16. The Working Group agreed that the 2016 report was significantly improved in terms of quality and layout, compared to previous reports. Sweden recommended that the annual report include additional analysis on risks, as previously agreed by the Working Group in 2015. Members made additional suggestions to further enhance the annual report in future, through for example, inclusion of more analysis on the value and impact of the STDF in facilitating collaboration on SPS capacity building, greater detail on cross-cutting issues related to gender and the linkages to poverty reduction. The Secretariat noted that while poverty reduction is one of the ultimate goals of the STDF, measuring this impact can be complex. Recent efforts by the Secretariat to explain how STDF projects benefit women were highlighted. To further improve the 2017 Annual Report,

the Secretariat invited members to provide further input on how they make use of STDF's work in their own programmes and initiatives.

17. Sweden raised a concern that LDCs appear to benefit less from STDF projects than PPGs, and reiterated its concern that a regional PPG application (STDF/PPG/577), approved in 2016, included funding for Trinidad & Tobago, which is no longer on the ODA DAC list. The Secretariat noted that many LDCs request PPGs given their limited capacity to develop project proposals, and the figures are an indication that the PPG support benefits those countries that need it most. It was further noted that the STDF continues to consistently meet its target funding for LDCs (at least 40%). In terms of project proposals not approved for STDF funding, including from LDCs, the Secretariat invited members to use the Working Group platform to explore whether other donors would be interested in picking up these proposals for funding bilaterally.

### 2.5 Implementation of STDF communication plan - presentation by STDF communications consultant (Ms Elena Immambocus)

18. STDF's communications consultant, Ms Elena Immambocus, updated members on progress made in implementing the STDF communication plan.<sup>4</sup> She referred to recent STDF briefing notes on private sector collaboration, SPS capacity evaluation tools and SPS e-cert. The Secretariat is in the process of compiling stories on over 20 completed projects for publication in a "results book" in early 2018. Cross-cutting issues such as gender will be taken into account. STDF work was showcased at interactive booths during the 2017 Aid for Trade Global Review and the 2017 WTO Public Forum. In addition, the STDF website, e-news items, and YouTube videos have been reaching more users than before. STDF work was featured in a WTO publication, FAO newsletter, IPPC video and Finland's online platform, as well as in WTO/donor press releases and a GFSI blog. The option for an "STDF blog" could also be considered.

19. Mr Khetarpal (developing country expert) highlighted the importance of targeting a wider audience, particularly stakeholders involved in export-focused value chains. Ms Cabb (developing country expert) emphasized the effectiveness of video stories in capturing attention. The Secretariat referred to STDF's most recent film: <u>"Cocoa: a sweet value chain"</u>. The chairperson expressed appreciation for the work of the Secretariat and the communications consultant, and encouraged members to identify areas where greater focus is needed and how they could further participate in communications and information dissemination efforts.

### 2.6 Liaison with relevant initiatives/participation in selected external events

20. The Secretariat referred to Annex 3 in the Annotated Agenda, which includes a chronological list of the events in which the Secretariat participated. The Secretariat noted that many events took place in Geneva, hence eliminating travel costs. Several events were attended in close collaboration with partners, including FAO, IPPC, OIE, WTO and the WBG. In various cases, the cost of the Secretariat's participation was covered externally. The United States noted that a calendar of upcoming events would be useful to facilitate coordination on the ground. The WTO added that STDF work is regularly included in its technical training events.

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

## 3.1 Presentation by the International Finance Cooperation, WBG (Ms Selma Rasavac, Senior Operations Officer, Trade and Competitiveness Global Practice) on "WBG food safety work, experiences and collaboration with partners"

21. Ms Selma Rasavac (WBG) made a <u>presentation</u> on key aspects of the WBG's work on food safety. She explained that the Trade and Competitiveness Global Practice focuses on providing technical assistance to governments to streamline food safety regulatory frameworks and to increase private sector compliance with international standards and facilitate access to markets. The WBG provides analytical assistance, lending assistance and knowledge building for food safety. Key partners include the STDF and the Global Food Safety Partnership (GFSP). She highlighted the importance of knowledge management for the WBG and referred to several tools including: (i) the IFC food safety toolkit to help Small and Medium Enterprises (SMEs) implement effective food

<sup>&</sup>lt;sup>4</sup> The STDF Communications Plan was approved by the Working Group at its October 2016 meeting.

safety management systems; and (ii) the WBG food safety toolkit which lays out the fundamental pillars for effective food safety reforms.

22. Members thanked Ms Rasavac for her presentation. In response to questions, Ms Rasavac highlighted potential for the WBG to make more use of the STDF to identify and disseminate good practice and facilitate more collaborative and strategic partnerships, based on PPG and PG requests. In this regard, opportunities to more fully engage and leverage the inputs of WBG country teams within STDF PPG and project processes, as well as to use the IFC as a vehicle to engage the private sector in dialogue on SPS capacity building, should be explored. FAO underlined the need for better information exchange among partners involved in the food safety area to promote complementary and consistent messaging.

# 3.2 Presentation by African Union Commission (Ms Diana Akullo, Policy Officer, Department of Rural Economy and Agriculture) and Nestlé (Mr John Bee, Regulatory and Scientific Affairs, Regional Head, Sub Saharan Africa) on "Prioritizing food safety in Africa"

23. The African Union Commission (AUC) and Nestlé made a joint presentation on the development of a Food Safety Reference Laboratory for Africa. The proposed laboratory is regarded as a priority to strengthen food safety across the continent, and has strong support from the AUC and Nestlé. In addition to serving as a reference laboratory, it would also accredit national laboratories. The cost (planning & construction) is estimated to be US\$ 21.9 million. Annual operational costs are estimated to be around US\$8.6 million. Part of the facility's revenue is expected to come from training, in an effort to ensure financial sustainability. The expectation is to engage new industry partners as the initiative develops.

24. The presentation generated substantial discussion among several members. Mr Khetarpal (developing country expert) commented that, if successful, this model could be replicated in other developing countries. UNIDO expressed interest in the initiative, including the possibility to collaborate. The EIF pointed to its support to laboratories in selected LDCs in Africa. The EC suggested incorporating lessons from the COLEACP programme. Germany requested more information on the laboratory's structure, location and roll-out plans. Mr Samb (developing country expert) questioned the relationship between the proposed new laboratory and existing laboratories (public and private). The FAO asked whether there was any baseline work done, including consultations on the feasibility of setting up the laboratory, and how microbiological samples would be collected. The Secretariat asked how the facility would relate to the ongoing initiative for an AU food safety coordination mechanism.

25. The presenters thanked members for their comments and questions. The AUC requested a copy of the COLEACP report. Going forward, it noted that it had received positive feedback on the initiative from African Ministers during a meeting in October 2017. With regard to the location of the facility, the AUC noted that accessibility and transportation links would be vital. On feasibility, Nestlé noted that cost estimates were based on Nestlé's experience in setting up and running two fully accredited laboratories in Africa.

### 3.3 Information about new/emerging SPS initiatives and issues - STDF partners, donors, developing country experts and observer organizations

26. Canada reported that it is providing technical experts to Codex, IPPC and OIE, as well as additional financing (US\$1.3 million) for scientific advice. In addition to its contribution to STDF, in 2016 Canada delivered 15 SPS-related technical assistance projects (totalling US\$15.8 million) and targeting various regions (Africa, Latin America, South-East Asia and Asia-Pacific). The chairperson thanked Canada for the funding provided.

27. Mr Khetarpal (developing country expert) highlighted the deficiency in the STDF Trust Fund, vis-a-vis the demands from developing countries. He proposed exploring options to reach more beneficiaries, more cost-effectively, and suggested creating knowledge management regional hubs to raise awareness. He suggested that regional engagement could be useful in mobilizing local expertise to feed into the STDF. The chairperson suggested that more access to information on country needs would help to facilitate prioritization and matchmaking activities.

28. The OIE thanked the Secretariat for its active participation in the PVS Pathway Think Tank Forum in April 2017. One recommendation was that OIE should develop mechanisms to make better use of the PVS reports. Reports from PVS missions could for instance be more effectively integrated into STDF discussions. The second recommendation was that more needs to be done to mobilize resources and develop PVS pathway business plans. The OIE also briefed members on its work on public-private partnerships (PPP), and its 3-year project with the Gates Foundation in this area. In addition, an OIE survey was sent to members and industry partners to collect PPP success stories and uncover opportunities and limitations affecting veterinary service delivery. The OIE aims to disseminate key messages from the survey at the next Working Group meeting. Finally, the OIE informed members on new work on monitoring challenges faced by Members in implementing OIE standards. The Secretariat took the opportunity to highlight STDF's new briefing note on Capacity Evaluation Tools, which includes information on the OIE PVS Pathway. France thanked the OIE for presenting its PVS Pathway work and informed that it had provided a PPP example on the fight against antimicrobial resistance as part of the OIE questionnaire.

29. The WBG informed members on its Enabling the Business of Agriculture (EBA) programme, which presents indicators and data on regulatory practices. The latest <u>report</u> (2017) covered 62 countries. Governments have demonstrated increased interest in pursuing agri-business related reforms and EBA indicators are used in several WBG projects and national agricultural agendas. Work is ongoing to review and improve these indicators, including with support from technical experts in IPPC and OIE. The hope is to collaborate more with the IPPC to expand data collection, including on pest surveys and lists. The WBG is developing a quality infrastructure diagnostic toolkit with the German Institute of Metrology (PTB), which will be peer-reviewed. Work is ongoing to increase awareness among policy-makers about the economic impacts of foodborne hazards in developing countries and cost-effectiveness of investing in food safety systems. The final study "Strengthening the case for food safety investments" is expected by June 2018.

30. The United States shared information on new training modules on pest surveillance, inspection and phytosanitary certification, risk management, pest risk assessment and the WTO SPS Agreement (which will be available soon on USAID Agrilinks platform). The Secretariat will be informed when these resources are available. Reference was also made to the latest report to the SPS Committee on support by the United States for SPS capacity building (G/SPS/GEN/181). Some members requested additional information about some of these modules.

31. FAO shared information on its collaboration with the University of Laval and Queen's University Belfast on food fraud, and requested information on related initiatives. FAO also referred to e-commerce and informed that it is exploring conducting country and regional level studies on e-commerce and food fraud. FAO is collaborating with COMESA in regional workshops to address mycotoxins and chemical contaminants in food. The CODEX eLearning course is being updated, and a new paper is planned on food safety and food security, which is relevant for the broader discussion on linkages between food safety and SDGs. The IPPC added that it is actively working in the e-commerce area, referring to a special session on e-commerce during the last Commission on Phytosanitary Measures (CPM) meeting. France thanked the FAO for bringing attention to the subject of food fraud, which is getting attention at the EU level, too.

32. The WTO informed members that it launched a joint <u>publication</u> with FAO on "Trade and Food Standards" in July 2017. The WTO and IICA held a workshop on Good Regulatory Practice (GRP) in June 2017, in which the STDF Secretariat participated. The workshop explored the application of GRP in Latin America and the Caribbean. Findings showed that transparency and stakeholder consultation were most widespread, but that regulations were not consistently reviewed once they entered into force. The WTO noted that this workshop had helped to inform the development of the STDF GRP survey and mobilize feedback, while its transparency workshop (30-31 October 2017) was focusing on public consultations on SPS regulations. WTO mentioned that Kenya, Uganda and the United States had issued a proposal on pesticide MRLs (which referenced the value of three STDF projects on MRLs) for consideration as a possible WTO Ministerial Decision in Buenos Aires in December 2017.

33. The EC reminded members of its ongoing "Fit for Market" programme, implemented by  ${\rm COLEACP}$ .<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> See: <u>https://www.coleacp.org/en/nos-programmes/fit-for-market</u>

34. Sweden informed the Working Group of a new report by the Swedish National Board of Trade on "New Trade Facilitation Obligations in the SPS area", which analyses SPS issues related to the implementation of the Trade Facilitation Agreement (TFA), including the implications of the TFA on the work of SPS authorities at the border and new obligations related to transparency. This stimulated discussion on the TFA, including some challenges in collaboration among customs and SPS agencies in some countries. FAO commented that it is trying to provide further guidance to developing countries. The IPPC noted that cooperation between border agencies is often lacking, and IPPC is working with the WBG to safeguard the interests of SPS border agencies. The STDF Secretariat commented that the TFA complements and builds on existing obligations of WTO Members under ANNEX C of the WTO SPS Agreement. It does not reduce rights and obligations of Members under the SPS Agreement. The TFA provides an opportunity to mobilize resources and improve SPS border management, but there is a need for improved mutual understanding of rights and obligations under the SPS Agreement and TFA.

35. GFSI informed that it has created a technical working group on biocides and is further exploring the topics of block-chain, food safety and traceability. As part of its PPP strategy, GFSI is working with Argentina, Japan, and China in different capacities. GFSI also started benchmarking public certification schemes through a process known as "technical equivalence", which is open to all government agencies. Under GFSI's Global Markets programme, GFSI plans to reward companies and suppliers in five regions who have been advancing on certification. GFSI also informed that currently 11 scheme owners are recognized and benchmarked by GFSI. The latest version of GFSI's benchmarking requirements was published in June 2017. GFSI is collaborating with IFC in several areas, including food safety.

36. FAO commented that a challenge faced by developing countries is ensuring adequate resources for food safety, both for domestic markets and export. It suggested more analysis on the costs of compliance to assist policymakers. The WBG highlighted that it is currently conducting a study, led by Steve Jaffee, on the need for investments in food safety, both from a domestic perspective (formal and informal markets) as well as market access. The results of this study could be used to inform the dialogue on the cost-effectiveness of food safety for domestic markets. The WBG would welcome comments on the draft study, once available.

37. IICA shared information on its work to support implementation of the US Food Safety Modernization Act (FSMA), including a recent agreement with FDA to expand capacity building. IICA has already contributed to several training workshops, including a workshop on phytosanitary risk management in Colombia and a risk-based sampling workshop linked to the TFA in the United States. In 2018, IICA will partner with the University of Peace in Costa Rica on a regional "SPS leadership" program, focused on standards implementation and targeted at mid-career public and private sector participants. New training manuals and other tools have resulted from this work, and IICA highlighted the success of mainstreaming a Train the Trainer approach into its workshops. Some of IICA's work was recently published in Food Safety magazine. The WTO expressed an interest in the leadership programme and is exploring ways to support and participate in this initiative. The United States requested information on training on risk-based inspections.

38. JIFSAN highlighted that it has developed impact evaluations for its GAP risk analysis trainings, and noted that work is ongoing on a paper on risk-based inspections in Latin America and the Caribbean. FAO referred to its guidance documents on risk-based inspections, including on import controls. Two documents are in the process of being updated, namely on risk-based fish inspection and risk-based meat inspections.

39. OIRSA informed that it has developed an online course on risk analysis in food safety which has received good feedback so far. The course is available online in Spanish and is free.

40. The United States encouraged members to make all relevant training materials and other publications available for inclusion in the STDF Virtual Library.

### 3.4 Potential areas of future STDF good practice work

41. The Secretariat reminded members that in line with its strategy and work plan it should work on at least one thematic topic annually, and this standing agenda item is intended to discuss ongoing and potentially new thematic work. The Secretariat continues work on a number of topics including P-IMA, trade facilitation in an SPS context, SPS e-cert and GRP. Work is also continuing on PPPs and climate change, where developing countries continue to express an interest. Mr Khetarpal (developing country expert) repeated that communication is critical to the success of STDF. Mr Msiska (developing country expert) highlighted the value of STDF's work on implementing safe trade to engage customs and SPS officials, and policy-makers.

42. Following discussion, members agreed on the relevance of considering STDF thematic work on: (i) public-private partnerships (PPPs); (ii) the business case for investments in SPS capacity development; and (iii) good practice in TFA implementation (with specific reference to single windows). In deciding on future work, it is important to select topics that would benefit from input from a range of WG members and which can be facilitated by the STDF platform (i.e. to ensure the STDF adds value). It was recognized that PPPs are a common element of many STDF projects, as well as thematic work on different topics from trade facilitation to risk-based inspection and use of co-regulatory approaches, and GRP. The United States suggested that increasing cooperation with regional development banks could add great value to the STDF's work.

43. Based on the discussion, the Secretariat agreed to revise its PPP concept note for further discussion by the Working Group in March 2018, and to organize a session on trade facilitation and single windows during this meeting. On the business case for SPS investments, attention was drawn to the STDF's past work on the use of economic analysis to inform STDF decision-making, which led to the development of the P-IMA framework. The Secretariat invited members to consult information on previous and ongoing thematic work on the STDF website, prior to further discussions.

### 3.5 Case stories of collaborative/cross-cutting/innovative/regional approaches facilitated by STDF activities (indicator)

44. The Secretariat reiterated that case stories on collaborative, cross-cutting, innovative and regional approaches to SPS capacity building, which are facilitated by the STDF, are an indicator of STDF's impact and value-added, based on the STDF logical framework. It was noted that the biennial survey to the Working Group (based on the STDF results management framework) will be circulated by the end of November 2017. The results will be discussed at the Working Group meeting in March 2018, including a presentation by STDF's M&E consultant, Mr Jens Andersson.

45. The United States highlighted some examples of successful collaboration facilitated by the STDF including work under an STDF PPG in Pakistan (STDF/PPG/431), and drew attention to the value of three regional STDF projects in stimulating and strengthening ongoing work on pesticide MRLs. The role of these projects as models for collaboration and capacity building, and the results achieved, were highlighted multiple times during the recent Global Minor Use Summit in Montreal. About 50% of the data packages developed from these projects have already been submitted to Codex, with the remaining data sets to be submitted in 2018. IICA reiterated the success of the pesticides MRL work in Latin America and the Caribbean, and noted that IICA was requested to serve as technical secretariat for MRL coordination in Latin America.

### 4 IDENTIFICATION AND DISSEMINATION OF GOOD PRACTICE TO SUPPORT SPS (OUTPUT 2)

#### Report on ongoing/completed STDF activities:

#### 4.1 Prioritizing SPS Investments for Market Access (PIMA)

46. The Secretariat informed that P-IMA continues to be relevant in promoting public-private sector dialogue and in making the business case for investing in SPS capacity. Ongoing STDF PPGs in Tajikistan (STDF/PPG/561) and Madagascar (STDF/PPG/575) are making use of the P-IMA framework. COMESA has re-submitted its project application to use P-IMA to mainstream SPS investments into agriculture, trade and environment planning and financing frameworks in selected COMESA countries. It was noted that the AUC document distributed to the Working Group refers to the intention to promote P-IMA's use to prioritize food safety investments in Africa.

### 4.2 6th Global Aid for Trade Review - STDF session on "Transitioning from paper-based to automated SPS systems"

47. The STDF Secretariat briefed the Working Group on the information <u>session</u> held at the Aid for Trade Global Review in July 2017, which looked at the current state of play on SPS e-cert and how new technologies including the Internet of Things can be used to manage potential SPS risks throughout supply chains. The use of GS1 barcodes for traceability was also presented and discussed. The session was attended by more than 120 people. More information, including presentations and a podcast, is available on the STDF website.

### 4.3 New STDF briefing notes

48. The Secretariat informed that two new STDF briefing notes were issued since the last Working Group meeting. One <u>briefing note focused on how capacity evaluation tools</u> – notably the IPPC's Phytosanitary Capacity Evaluation (PCE) tool, OIE's Performance of Veterinary Services pathway (PVS), and FAO/WHO National Food Control Systems Investment Tool – are being used to identify priorities and solutions to SPS challenges in developing countries. Another briefing note on facilitating safe trade: going paperless with SPS e-certification was issued during the 2017 Aid for Trade Global Review. It focused on the current state of play on SPS e-cert in the context of paperless trade.

#### 4.4 STDF work on Good Regulatory Practice – survey results

49. In March 2017, the Working Group requested the Secretariat to prepare and conduct a survey to gather information on if and how SPS agencies in developing countries are applying Good Regulatory Practice (GRP) to strengthen the development, implementation and review of SPS measures. The Secretariat presented the preliminary results of the GRP survey, conducted in October 2017, and thanked Codex, IPPC, OIE and WTO for their collaboration on its dissemination. A preliminary analysis of the survey responses was circulated to the Working Group prior to the meeting.

50. The survey gathered 118 responses from 64 countries/territories. Results indicated that GRP (e.g. public consultations, use of international standards, etc.) are being used to support the development of SPS measures, albeit with slightly more focus on assessing the risks to health, rather than the expected trade impacts. Responses suggest that less attention is given to reviewing or evaluating existing SPS measures to assess whether they are achieving the intended objectives. The Working Group recognized the high response rate to the survey and appreciated the findings in the summary report. Some members advised on the need for care and caution in interpreting the results and feedback to the survey due to the nature of the questions and difficulty in providing clear feedback to complex issues. Going forward, the Working group tasked the Secretariat to further disaggregate and analyse the data collected (by SPS area, region, sector etc.) and where possible to cross-check with findings to other relevant surveys.

#### 4.5 Selection of Vice-chairperson

51. Prior to continuing with agenda item 5 on day 2, members agreed that Ms Loraine Ronchi from the WBG will be the new vice-chairperson of the Working Group in 2018 (and hence chairperson in 2019).

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

#### 5.1 Overview of ongoing and completed PPGs

52. The Secretariat referred to document <u>STDF/WG/Oct17/Overview</u>, which provides an overview of the implementation status of all ongoing PPGs. The Working Group agreed to an extension of the time needed to contract STDF/PPG/498 and STDF/PPG/593. The Secretariat informed that WIPO had expressed some interest in STDF/PPG/593 in relation to geographic indications. The Secretariat requested suggestions from Members on suitable consultants for the implementation of STDF/PPG/498 and STDF/PPG/498.

#### 5.2 Overview Presentation of new PPG applications not accepted for consideration

53. The Secretariat introduced the PPG applications not tabled for consideration by the Working Group and referred to document <u>STDF/WG/Oct17/Review</u>. Members interested in any of these PPG applications were invited to contact the Secretariat for further information.

### 5.3 Consideration of PPG applications

### STDF/PPG/619: Facilitating market access for peppercorn from Vietnam, Lao PDR and Cambodia

54. The Working Group approved this PPG application, subject to some conditions. In particular, members noted that the PPG should holistically address both food safety and phytosanitary capacity needs which may affect the export of black peppercorn. Members encouraged examining solutions related to the use of Integrated Pest Management systems, use of pesticides, management of fungicides and improving capacity of relevant National Plant Protection Organization's to carry out pest surveillance. During implementation, members recommended consultations with representatives of STDF partners, donors and others (including The United States, World Bank Group, etc.) who are supporting relevant activities in South East Asia, to build on their experiences and ensure complementarities. The Working Group agreed to review the estimated budget for this PPG, with the possibility of increasing it, in part to enable the international expert to effectively identify the food safety and phytosanitary capacity building needs in the three applicant countries.

### STDF/PPG/626: Digital system for pest surveillance, pest reporting, seed certification and traceability in Nigeria

55. The Working Group approved this PPG application. It concurred with the Secretariat's review and recognized that the outcomes of this PPG have the potential to be scaled up, at regional and global levels. Confidence in the implementing agency (IITA) was also expressed. Members made suggestions to be considered during implementation: (i) further defining the work to be undertaken, notably as it relates to commodities and border agency collaboration; (ii) coordinating closely with similar ongoing initiatives, regionally and internationally; and (iii) actively involving an ePhyto expert with experience on surveillance databases, tools and international standards.

### STDF/PPG/627: Feasibility and Potential Impact of Expanded Private Sector Engagement through a Uganda SPS Multi-Stakeholder Platform

56. The Working Group did not approve this PPG application. It concurred with some reservations expressed by the Secretariat on the need for this platform, given that other coordinating mechanisms including public and private sector stakeholders already exist (national SPS/TBT Committee, national Codex Committee, National Trade Facilitation Committee, etc.). Concerns were expressed on whether the application had been discussed in these existing mechanisms, and whether the platform would duplicate (rather than complement) the work of these mechanisms. Members also commented that the scope of the proposed platform should be more clearly defined. It was not clear if the focus would be on food safety only, or also cover the animal and plant health areas.

### STDF/PPG/634: Asia Pesticide Residue Mitigation through the Promotion of Biopesticides

57. The Working Group did not approve this PPG application. Members highlighted the potential of biopesticides in helping to mitigate pesticide residues, the innovative aspects of the proposed work, and its complementarity to other ongoing initiatives within Asia and globally. However, concerns were expressed regarding the formulation of the proposal, in particular, on the challenges related to the use of biopesticides (e.g. limited commercial products available on the market, registration, relatively high costs, lack of acceptance by farmers). Members also emphasized the need for more clarity on the role of biopesticides as part of a holistic, integrated approach, alongside Integrated Pest Management programmes (IPM), which have already been very successful in Asia.

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

58. The IPPC Secretariat requested the Working Group's views on the use of STDF project funds to cover (partly) the cost of the IPPC's Implementation Committee (IC) serving as project steering committee for STDF/PG/503, and put forward two proposals. The STDF Secretariat questioned whether STDF funds should be used for a core IPPC body/activity (with reference to para. 39 of the STDF Operational Rules), and suggested to enable the project manager to attend the IC meetings instead. Different members intervened on this issue. After considerable discussion, the Working Group agreed not to reduce the project budget, on condition that no STDF funding would be used for travel of IC members. The chairperson concluded that the project could go ahead on this basis.

#### 6.1 Overview of ongoing and completed projects

59. The Secretariat referred to document <u>STDF/WG/Oct17/Overview</u>, which provides an overview of the implementation status of all ongoing projects. The Working Group approved a six-month no-cost extension for the completion of STDF/PG/303, and a 12-month no-cost extension for the completion of STDF/PG/346. The Secretariat invited members to provide suggestions on consultants for the evaluation of STDF/PG/350.

### 6.2 Presentations of project applications not accepted for consideration

60. The Secretariat briefly introduced the project applications not accepted for consideration by the Working Group at this meeting (see STDF/WG/Oct17/Review). Members seeking further information on any of these PG applications were invited to contact the Secretariat for further details.

#### 6.3 Consideration of PG applications

### STDF/PG/435: Upgrading the Sudanese Sesame-seed Value Chain to Meet SPS Measures and Facilitate Access to International Markets

61. The application was endorsed by the Working Group, which agreed on its relevance. In particular, it highlighted the proposal's value chain approach, promotion of public-private collaboration and the envisaged cooperation between UNIDO and FAO in project implementation. Nevertheless, the Working Group considers the application ambitious and suggested scaling down project activities, which will lead to a budget reduction, as well as exploring co-funding options from bilateral donors or interested programmes.

### STDF/PG/481: Strengthening the Phytosanitary Capacity of Zambia's Plant-based Export Sectors

62. The Working Group endorsed the project, subject to some conditions. Members requested the establishment of a Project Steering Committee (PSC), during the inception phase of the project, to engage relevant stakeholders and provide advice and oversight during project implementation. Some members suggested taking into account possible synergies with the newly established National Trade Facilitation Committee. Members also requested a revision of the logical framework to be undertaken during the project inception phase. In particular, specific measurable indicators to measure progress at the output level, with their baseline data and specific targets, should be clearly defined. Members welcomed the offer made by the Enhanced Integrated Framework (EIF) to contribute US\$200,000 in co-funding to this project.

### STDF/PG/606: Mainstreaming SPS capacity building into the Comprehensive Africa Agriculture Development Programme (CAADP) and other national policy frameworks

63. The Working Group endorsed the project. Several members of the Working Group expressed support for this application, and welcomed the use of P-IMA to leverage increased support for SPS investments. Some recommendations were shared to further enhance the project document including to: (i) learn from past experiences in COMESA on the role of P-IMA to influence decision-making processes; (ii) carefully select the beneficiary countries to ensure strong ownership; (iii) allocate sufficient resources to prioritize SPS investments (data collection, analysis and consultations) with particular attention to engagement of SPS agencies and the private sector;

(iv) focus dialogue with high-level national policy and decision-makers on strategic issues to make the case for greater priority and additional investments for SPS capacity; and (v) consider targeted events for donors to share the project's findings and results, and leverage new financing. Members welcomed the offer made by the Enhanced Integrated Framework (EIF) to contribute US\$200,000 towards the project. In view of this co-financing provided by the EIF, it would be expected that at least three LDCs should benefit from the project.

### STDF/PG/609: Development of a framework to facilitate e-veterinary certification for international trade on the basis of a single window system

64. The Working Group recognized the strong interest in and timeliness of this project and endorsed it, subject to the following conditions: (i) that OIE collaborates with FAO, the Codex Secretariat and any other interested stakeholders with relevant expertise to review the project work plan, including to further clarify the roles and responsibilities; and (ii) that the name of "Advisory Group" be changed to "Steering Committee", so that it can provide advice, guidance and oversight on the project's implementation. The Working Group recognized and agreed that the OIE would be responsible for implementation of the project, as requested by the five applicant countries i.e. Cambodia, Nigeria, Paraguay, Swaziland, and Zimbabwe.

### STDF/PG/615: Strengthening Regional Capacities in the control of heavy metals to promote market access for rice and fish from Africa

65. The Working Group did not endorse this PG application. Members however agreed on the relevance and merit of the proposal and highlighted its timeliness (in view of the recent Codex Code of Practice for rice,<sup>6</sup> which is likely to lead to a call for data in the near future). The proposal would address potential trade barriers through a regional approach. Nevertheless, the Working Group considered that the proposal is currently too ambitious and requires further work and clarification in several instances. It recommended revising the application, to take into account the comments and suggestions made by the STDF Secretariat including, *inter alia*, related to the budget, its complementarity with national strategies and other regional initiatives, and risk mitigation strategies. The Working Group agreed that it would welcome a revision and resubmission of the project application for consideration at a future meeting.

### STDF/PG/534: Animal Health and Registration System in Mongolia

66. The Working Group endorsed the project. Members agreed on the importance of developing a functional and sustainable animal identification and registration system in Mongolia, and appreciated the focus on export potential. There was recognition that this pilot project application was a collaborative effort resulting from work carried out under an STDF PPG, as well as complementary work supported by the World Bank Group, France and FAO. The value of the project development work in strengthening dialogue, transparency and improved coordination across the public and private sector, as well as with different development partners and donors involved in work related to animal identification and registration was highlighted. Some revisions were recommended for the logical framework and budget. Clarifications were requested on the nature of the paper-based system (if any) for registration of animals and herders, in addition to the electronic system; and the expected role of local authorities in the pilot project, as well as the expected role of FAO.

### STDF/PG/553: Enhancing Trade for Cocoa Farmers in Papua New Guinea

67. The Working Group endorsed the project. It recognized the role of an effective public-private partnership to expand exports of safe, high-quality cocoa from Papua New Guinea, including the value of collaboration with private sector companies that account for a large share of cocoa exports and source from smallholder farmers. There was confirmation that the project would complement assistance provided by Australia, European Commission, the WBG and others, and enable smallholder cocoa farmers to benefit more from trade. One of the key issues raised focused on governance, particularly the need to clarify the composition of the Cocoa Board and its alignment to the Cocoa Act. Some other clarifications were requested including to: (i) ensure the capacity development approach works effectively to scale in Papua New Guinea, given its unique socio-cultural environment; (ii) increase the number of smallholder farmers to benefit from

<sup>&</sup>lt;sup>6</sup> CAC/RCP 77-2017

training under the project; and (iii) mobilize the cocoa export industry to finance the equipment (stainless steel kiln pipes) necessary for improved food safety in cocoa.

### STDF/PG/553: Enhancing trade for coffee farmers in Papua New Guinea

68. The Working Group endorsed the project. Several members recognized the importance of coffee to Papua New Guinea, the strong demand from the public and private sector and the potential value of the proposed project to expand coffee exports and benefit smallholders. It was suggested that this project could also be used to improve the efficiency of procedures to issue quality certificates for exports in order to facilitate trade. Despite several positive views on the value of the proposed coffee project, some members considered that this application focused more on quality aspects and was therefore less relevant for STDF funding.

### STDF/PG/569: Enhancing capacity of Kyrgyz fruit and vegetable industry to implement GAP, GHP and HAACP

69. The Working Group endorsed the project. Several members expressed strong support, recognizing the project's value to: (i) strengthen food safety capacity in small and medium-sized enterprises (SMEs) so they can continue to access regional markets; and (ii) to complement the government's new initiative to upgrade infrastructure in SMEs. Some members requested additional detail on the interventions that the public and private sector should take to comply with the new food safety regulations in the Eurasian Economic Union (EAEU) from August 2018, as well as the public-private sector linkages and aspects related to the regulatory interface. Some members questioned certain elements of the budget. The Working Group recognized that extensive consultations had taken place with other donors during the project development process, and expressed appreciation for GIZ's offer to provide co-financing for this project, subject to an appropriate contribution from the participating private sector companies towards training costs.

### 6.4 Decisions on prioritization and funding

70. In view of the limited resources in the STDF trust fund, the Working Group prioritized among the various endorsed applications to be funded, in accordance with the criteria established in paragraphs 86 and 31 of the STDF Operational Rules. In doing so, the Working Group also took into account the additional contribution pledged by Norway, as well as pledges already made by some donors for 2018 (in line with paragraph 87 of the Operational Rules). The Working Group prioritized and approved the following projects for STDF funding, totalling approximately US\$1.7 million:

- Strengthening the phytosanitary capacity of Zambia's plant-based export sectors (subject to additional co-funding of US\$200,000 from the EIF) (STDF/PG/481)
- Mainstreaming SPS investments into the Comprehensive Africa Agriculture Development Programme (CAADP) and other national policy frameworks, COMESA (subject to additional co-funding of US\$200,000 from the EIF) (STDF/PG/606)
- E-veterinary certification for international trade on the basis of a single window system (STDF/PG/609):
- Animal Health and Registration System in Mongolia (STDF/PG/534)
- Enhancing Trade for Cocoa Farmers in Papua New Guinea (STDF/PG/553)

71. The following applications were endorsed but not approved for STDF funding at this time:

- Upgrading the Sudanese Sesame-seed Value Chain to meet SPS Measures and Facilitate Access to International Markets (STDF/PG/435)
- Enhancing trade for coffee farmers in Papua New Guinea (STDF/PG/553)
- Enhancing capacity of Kyrgyz fruit and vegetable industry to implement GAP, GHP and HACCP (STDF/PG/569)

72. There was some discussion on the approach to prioritize applications for funding, when there are limited resources in the Trust Fund. Some members noted that the Working Group could not spend funds that are not in the Trust Fund. One member cautioned against "pipelining" endorsed projects because by the time STDF funding is available, the project may no longer be timely. Other members expressed a preference not to request endorsed applications to be resubmitted and rediscussed. The Working Group agreed that it would welcome a resubmission of the above-mentioned "endorsed" applications for consideration at the next meeting in March 2018, when they would have to compete again with other applications received.

### 6.5 Evaluation of STDF Projects – Overview and Selection

73. The Working Group selected the following project for external evaluation in accordance with paragraphs 105 and 106 of the STDF Operational Rules:

 Setting up a Virtual Food Inspection School in Central America and Dominican Republic (STDF/PG/344)<sup>7</sup>

74. In addition, the Working Group selected the following three related projects to be evaluated in one single evaluation, to allow for comparison across the three projects and enhance synergies and lessons learned:

- Strengthening capacity in Latin America to meet pesticide export requirements (STDF/PG/436)<sup>8</sup>
- Strengthening capacity in ASEAN to meet pesticide export requirements (STDF/PG/337)<sup>9</sup>
- African Pesticide Residue Data Generation Project (STDF/PG/359) to be completed in 2017<sup>10</sup>

75. The Secretariat proposed to make the report on the evaluation of the STDF project "Strengthening the National SPS Committee of Honduras (STDF/PG/284)" available on the STDF website, to which the Working Group agreed.<sup>11</sup>

76. Mr Jens Andersson (STDF's M&E Consultant) presented planned new work on a metaevaluation of existing external STDF project evaluations (23 conducted to date). He explained the meta-evaluation process, which involved formulating review questions, identifying and collecting evidence, appraising the quality of the evidence, assessing the STDF projects, synthesizing findings and lessons learned, and disseminating the findings. The final report will aim to explain shifting dynamics, for example in the involvement of the public sector or private sector in projects. Where possible, it will examine the impact of STDF work on poverty reduction, market access and the overall SPS situation in countries. Members welcomed the initiative and looked forward to discussing the outcomes at the next meeting in March 2018.

#### 7 OTHER BUSINESS

77. Donors informed the Working Group that they had selected the United States, Sweden and the Netherlands to represent the donors in the Policy Committee during the period 2018-2019. The Working Group noted Canada's interest in observing the next Policy Committee meeting on 23 February 2018.

78. The Secretariat reminded members to send recommendations for new developing country experts (with a deadline of 17 November 2017); evaluators for the project STDF/PG/350; and international consultants to implement STDF/PPG/498 and STDF/PPG/593.

79. The Secretariat, on behalf of the Working Group, thanked the outgoing chairperson, Ms Renata Clarke (FAO), and the outgoing developing country experts, Mr Khetarpal, Mr Samb and Ms Vidal, for their services.

#### 8 CLOSURE

80. The meeting was closed at 17:30.

<sup>&</sup>lt;sup>7</sup> See: <u>http://www.standardsfacility.org/PG-344</u>

<sup>&</sup>lt;sup>8</sup> See: <u>http://www.standardsfacility.org/PG-436</u>

<sup>&</sup>lt;sup>9</sup> See: http://www.standardsfacility.org/PG-337

<sup>&</sup>lt;sup>10</sup> See: <u>http://www.standardsfacility.org/PG-359</u>

<sup>&</sup>lt;sup>11</sup> See: <u>http://www.standardsfacility.org/PG-284</u>

### ANNEX 1

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### STDF/WG/Oct17/Summary Report

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<sup>&</sup>lt;sup>12</sup> Chinese Taipei is a WTO Member in application of Article XII of the Marrakesh Agreement (1994). WTO membership has no implication regarding the sovereignty of the Member pursuant to international law.