

**STANDARDS AND TRADE DEVELOPMENT FACILITY**  
**ANNUAL REPORT 2008**

**Executive Summary**

1. This report provides an overview of the STDF's operations in 2008 in accordance with the Medium Term Strategy (2007-11) and the Operating Plan for 2008-09. It addresses the four main areas of work defined in the Operating Plan: coordination, information dissemination, project development and project funding.
2. An independent evaluation of the Facility, published in 2008, judged the performance of the STDF to be "good and in many important areas very good". The evaluation concluded that it "carries out an important role that no other single body would be able to accomplish and the participation of the five partner organizations, the donors and the observer organizations means that it has ready access to expertise in a large number of SPS- and development-related areas".
3. Greater emphasis was put on developing STDF's coordination activities in 2008 at an international, regional and national level. At the global level, three thematic events, attended by more than 200 participants, were organized in Geneva prior to the meetings of the SPS Committee:
  - The workshop on SPS-related capacity evaluation tools (31 March) considered the merits of specific and generic tools developed by international organizations, and helped to increase understanding about the various tools available and their practical application.
  - The information session on private standards (26 June) provided an update on recent developments in this area and related donor initiatives, and examined options for facilitating compliance with these schemes.
  - The workshop on good practice in SPS-related technical cooperation (6 October), organized jointly with the OECD and WTO Secretariat, considered examples of good practice in SPS technical assistance including use of the Paris Principles on Aid Effectiveness. It was based on research carried out in East Africa, Central America and the Greater Mekong Basin Sub-Region.
4. As part of its coordination role, the STDF also contributed expertise and analysis to a UNIDO Expert Working Group meeting (Rwanda, September), a UNIDO/WTO LDC Ministerial Conference on Aid for Trade (Cambodia, November), a UNIDO conference on traceability (Cairo, November 2008) and an IPPC meeting on building national phytosanitary capacity (Rome, December).
5. At a regional level, the STDF organized workshops on the mobilization of SPS-related technical assistance in East Africa (28-29 May, Uganda), the Greater Mekong Delta Sub-Region (20-21 May, Cambodia) and Central America (11-12 June, Guatemala). This work raised the profile of SPS issues as a supply-side constraint within the Aid for Trade process, consolidated existing evaluations of SPS needs, identified existing and future planned sources of SPS assistance, and identified outstanding SPS needs in the three regions. Various activities were initiated to follow-up including projects in Guatemala and Cambodia, and a project preparation grant in Tanzania.
6. In West Africa, the STDF is working closely with a number of international and regional organizations and other stakeholders to promote a coordinated response to manage fruit flies in West Africa.

7. At the national level, various coordination activities were carried out with donors and national government partners. This included work to develop projects and ensure collaboration with the Enhanced Integrated Framework and needs identified in the Diagnostic Trade Integration Studies. At the end of November 2008, 19 projects were being developed benefiting Least Developed Countries (LDCs).

8. Ongoing activities to disseminate information and increase awareness about the STDF among donors and partner organizations were carried out in 2008. These included: (i) publication of a new newsletter (in English, French and Spanish) in March, June and October; (ii) publication of the first in a new series of STDF briefings - this one focused on good practice in SPS technical cooperation; (iii) initiation of preparatory work for a short film on SPS issues including the development and distribution of a preliminary script outline and selection of a production company following a tender process; and (iv) presentations on the STDF at various meetings both inside and outside WTO.

9. Six project preparation grants were accepted for funding. The Working Group approved seven projects for funding by the STDF for a total value of US\$ 2,544,978. Funding shortfalls in the second half of 2008 created a backlog of approved projects to be contracted, which is currently being addressed. Three projects (STDF 173, 13, 114) were completed in 2008 and evaluations are being planned.

10. The Secretariat was strengthened with the recruitment of two additional staff in March 2008. Recruitment of an administrative assistant is ongoing.

11. In conclusion, the Secretariat is scheduled to implement the Operating Plan for 2008-09. Targets for activities in 2008 have been fully met. The main factor which may constrain performance continuing at the same level in 2009 is a potential shortfall in funding for projects. The Secretariat is taking steps to address this situation.

## I. OVERVIEW

1. This annual report provides an overview of the STDF's operations in 2008 in accordance with the [Medium Term Strategy \(2007-11\)](#) and the [Operating Plan for 2008-09](#). It addresses the four main areas of work defined in the Operating Plan: coordination, information dissemination, project development and project funding. Sections II, III, IV and V provide a description of the activities undertaken in 2008 and results obtained. Section VI addresses the operation of the facility.

## II. COORDINATION

2. During 2008, particular emphasis was placed on the STDF developing its role as a vehicle for coordination and information exchange on the supply and receipt of SPS-related technical cooperation in accordance with the Medium Term Strategy and the Operating Plan for 2008-09.

### Global-level coordination activities

3. The STDF organized three thematic events in Geneva in 2008. These comprised a workshop on SPS-related capacity evaluation tools on 31 March 2008, an information session on private standards on 26 June 2008 and a workshop on good practice in SPS-related technical cooperation on 6 October 2008. Each of these events was attended by some 200 participants (primarily drawn from delegates to the SPS Committee) and additional officials from developing countries whose participation was funded by the STDF. In total, the STDF financed 30 participants to attend these three events.

4. The workshop on SPS-related capacity evaluation tools on 31 March 2008 considered the merits of specific and generic evaluation tools developed by international organizations. Topics addressed included the role of the beneficiary in the choice of tool, its application and end use; public dissemination of results versus confidential usage; and the scope for collaboration and cooperation in the future development and use of these tools. The workshop acknowledged the proliferation in approaches to SPS capacity evaluation and recognized that a large amount of data was being generated but that there was limited compilation or exchange of results. Concerns were raised about inadequate attention to monitoring the impact of capacity evaluations in generating results. Broad agreement emerged on the need to strive towards harmonization of approaches while respecting the needs of beneficiaries and the distinct nature of challenges across SPS disciplines.

- **Outputs:** A summary report of the workshop ([G/SPS/R/48](#)), presentations and podcasts of discussions are available on the [SPS gateway](#) of the WTO website. The Secretariat has prepared a brochure for general distribution summarizing existing approaches to SPS capacity evaluation.
- **Impact:** Greater understanding among relevant stakeholders of the various approaches developed to appraise SPS needs. Momentum generated in sharing of results. The Secretariat needs to devote further attention to this issue in 2009 by upgrading its STDF website to include information on capacity evaluations. Distribution of the brochure on capacity evaluation approaches in 2009 should increase awareness among stakeholders.

5. The information session on private standards on 26 June 2008 built on previous information sessions held by the SPS Committee in 2006 and 2007. Representatives of the Africa Observer Project, the Global Food Safety Initiative (GFSI), International Certification and Risk Services (CMi) and the World Bank made presentations on initiatives to help make developing countries' voices heard in the private standards arena, advancements in the recognition of equivalence between schemes; options to reduce the costs of certification, and opportunities to promote dialogue among private standard holders, suppliers, certifiers and other interested parties. Two general recommendations emerged: (i) the importance of further work to consider and document the negative

effects of private standards on the ability of small producers in developing countries to access export markets; and (ii) the need to promote dialogue and strengthen linkages between private standards schemes and international standard-setting bodies.

- Outputs: A summary report of the information session ([G/SPS/R/50](#)), presentations and podcasts of discussions are available on the [SPS gateway](#) of the WTO website. The Secretariat has also circulated a background paper on research on private standards ([G/SPS/GEN/891](#)).
- Impact: The workshop helped to clarify on-going discussions in the SPS Committee and the International Standards Setting Bodies on the implications of private standards, in particular for trade in agri-food products from developing countries.

6. The STDF workshop on good practice in SPS-related technical cooperation on 6 October 2008 was organized in collaboration with the Organization for Economic Co-operation and Development (OECD) and the WTO Secretariat. It presented the findings of STDF/OECD research to identify elements of good practice in the design, implementation, outputs and the achievement of higher-order objectives for projects in East Africa, Central America and the Greater Mekong Delta Sub-Region. The workshop concluded that while there is clarity about what should be avoided in technical cooperation, there is less clarity about how to practically implement the Paris Principles on Aid Effectiveness on the ground. Another conclusion focused on the importance of measuring the impact of SPS assistance on trade performance and the need to develop and systematically apply indicators for this purpose.

7. The good practice research work built on previous STDF activities in East Africa, Central America and Greater Mekong Sub-Region, carried out as part of the Aid for Trade Initiative. It was based on a survey ([G/SPS/GEN/816](#) and Add.1), which requested WTO Members and OECD contact points to nominate SPS-related projects in East Africa, Central America and the Greater Mekong Delta Sub-Region that could be considered as examples of good practice.<sup>1</sup> A total of 24 projects were nominated by 19 organizations in response to this survey. In-country interviews were carried out to seek beneficiaries' views on elements of good practice in the design, implementation, outputs and impact of the nominated projects.

- Outputs: A summary report of the workshop ([G/SPS/R/52](#)), presentations and podcasts of discussions are available on the [SPS gateway](#) of the WTO website. The findings of the regional research work were published in three regional research papers in September 2008.<sup>2</sup> An overview and synthesis of the findings of the regional research on good practice is available in [G/SPS/GEN/875](#). In addition, the Secretariat has prepared a two page briefing note on the conclusions of the good practice work for general distribution.
- Impact: One conclusion from the workshop was that the challenge lies in translating good practice into action. One short-term impact has been to integrate the Paris Principles more closely into the STDF's own operations. The longer term impact will depend on how well SPS-related capacity building is mainstreamed into regular development cooperation.

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<sup>1</sup> The following countries were included in this research: East Africa (Kenya, Tanzania and Uganda), Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and Greater Mekong Delta Sub-region (Cambodia, Lao People's Democratic Republic (PDR) and Viet Nam).

<sup>2</sup> Good Practice in SPS-Related Technical Co-operation. East Africa Region Report by Spencer Henson and Oliver Masakure ([G/SPS/GEN/871](#)); Good Practice in SPS-Related Technical Co-operation. Greater Mekong Sub-Region. Cornelis van der Meer and Laura L. Ignacio ([G/SPS/GEN/872](#)); and Good Practice in SPS-Related Technical Co-operation. Central America Sub-region report by Jason Hafemeister ([G/SPS/GEN/874](#)).

8. At the STDF Working Group meeting in June 2008, cost benefit analysis and climate change were selected as thematic topics for STDF events in 2009.

9. Complementing its work on the supply and demand for SPS assistance in three pilot regions (see para 12-13 below), the STDF prepared an overview paper on SPS needs and assistance in eight Least Developed Countries for a UNIDO Expert Working Group meeting in Kigali, Rwanda on 8-9 September 2008 (STDF 270). The study was prepared at UNIDO's request to complement and strengthen its broader programme proposals aimed at addressing supply side needs in the eight LDCs covered: Benin, Cambodia, Lao PDR, Lesotho, Mozambique, Rwanda, Senegal and Yemen. It was based on information in Diagnostic Trade Integration Studies (DTIS) developed for the Integrated Framework (IF) and other publicly available sources. It included an analysis of SPS needs and ongoing/planned technical assistance, and identified areas in which future SPS cooperation activities could generate a positive trade impact.

10. The STDF also participated in an [LDC Ministerial Conference on Aid for Trade](#) "Industrial Agenda for LDCs", which was organized by UNIDO in collaboration with the WTO and the Government of Cambodia from 19-20 November 2008. The objective of the meeting was to set the scene for further reflections on how to mobilize and streamline Aid for Trade resources to improve SPS systems in LDCs. The STDF expects its work for the UNIDO events in Rwanda and Cambodia to lead to additional activities in the countries studied. In the cases of Benin, Mozambique, Rwanda and Yemen follow-up events could build on ongoing projects implemented by FAO, ITC and UNCTAD. Enhanced Integrated Framework (EIF) activities in these countries may also provide a possible avenue for STDF projects.

11. The STDF contributed to the Open-Ended Working Group (OEWG) on Building National Phytosanitary Capacity, which was established by the Commission on Phytosanitary Measures in April 2008. In particular, the STDF prepared a background paper for the OEWG on 8-12 December 2008 and participated in this meeting. The background paper addressed the link between the capacity of national phytosanitary services to implement International Standards for Phytosanitary Measures (ISPMs) and the participation of developing countries in international trade in plant products; the evaluation of phytosanitary needs and necessity to mainstream these needs into national development plans; current flows of phytosanitary technical cooperation and future trends; and the possible future role of the STDF in designing and implementing national phytosanitary strategies.

#### **Regional-level coordination activities**

12. Within the framework of the Aid of Trade Initiative, the STDF organized regional workshops on the mobilization of SPS-related technical assistance in [East Africa](#)<sup>3</sup> (28-29 May 2008, Uganda), the [Greater Mekong Delta Sub-Region](#)<sup>4</sup> (20-21 May 2008, Cambodia) and [Central America](#)<sup>5</sup> (11-12 June 2008 in Guatemala). The workshop in Central America was organized in collaboration and with the financial support of the Inter-American Development Bank (IADB). Outputs from this workshop will be used by IADB as part of a sub-regional Aid for Trade review for Central America. Building on research initiated in 2007 to review SPS capacity evaluation studies and the provision of technical assistance in each region from 2001-06, this work synthesized the results of existing SPS capacity evaluations, developed an inventory of technical assistance and identified "gaps" still not being addressed.

13. Various activities have been initiated in follow-up to the STDF regional Aid for Trade consultations on the basis of the needs identified through this work. These include implementation of a project in Cambodia to develop an SPS Action Plan ([STDF 246](#)) and a project in Guatemala to

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<sup>3</sup> Countries surveyed included Kenya, Tanzania and Uganda.

<sup>4</sup> Countries surveyed included Cambodia, Lao PDR and Viet Nam.

<sup>5</sup> Countries surveyed included Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

implement HACCP certification schemes for fresh and processed food products ([STDF 238](#)). In Tanzania, a project preparation grant was approved to develop a harmonized legal, regulatory and institutional framework for SPS management ([STDF 268](#)). Other project development grants are under preparation.

- Outputs: Detailed information about these workshops, including national and regional balance sheets and conclusions, is available on the [STDF website](#).
- Impact: The STDF Aid for Trade activities were successful in raising the profile of SPS issues as a supply-side constraint within the Aid for Trade process, consolidating existing diffuse evaluations of SPS needs into a single overview, identifying existing and future planned sources of assistance to address SPS needs, and identifying outstanding SPS needs not addressed by ongoing or planned assistance in the three regions.<sup>6</sup> The final impact will depend on the success of future work to ensure that outstanding needs are matched with funding.

14. Under the umbrella of Aid for Trade, the STDF is working closely with the World Bank, the European Commission, the International Institute for Tropical Agriculture (IITA), the Economic Commission of West African States (ECOWAS), the West Africa Economic and Monetary Union (UEMOA), the Pesticides Initiative Programme (PIP) and other stakeholders to promote a coordinated response to manage fruit flies in West Africa.

15. As part of this work, the STDF participated in a regional meeting, organized by ECOWAS in Bamako, Mali on 28-31 July 2008, to discuss and validate a scoping study developed by the European Commission (EC). The STDF plans to organize a stakeholder meeting in West Africa in early 2009 to consider experiences in fruit fly control from other parts of the world, and mobilize funds and agree on implementation modalities for a multi-year regional action plan for the management of fruit fly in West Africa based on the recommendations of the EC scoping study. Funding to organize this workshop was approved by the Working Group in April 2008 (STDF 225). Detailed information about this work, including links to available documentation, is available on the [STDF website](#).

16. In October 2008, the Working Group approved an application for a project ([STDF 255](#)), submitted by the IITA, to bridge the gap between the validation of the EC scoping study and its implementation, which is not expected before the second half of 2009.

#### **National-level coordination activities**

17. At the national level, activities were carried out in 2008 with donors and national government partners to enhance coordination in the SPS area. In this context, the Secretariat has worked closely with relevant donors in the development of PPGs.

18. Collaboration also took place at the country level with the EIF to ensure that projects were developed on the basis of needs expressed in the Diagnostic Trade Integration Studies of selected countries. As of the end of March 2008, 19 projects had been developed benefiting LDCs that were part of the IF. Project preparation grant activities in eight LDCs are ongoing (Burkina Faso, Burundi, Cambodia, Comoros, Lao PDR, Madagascar, Sierra Leone and Tanzania). In each case, the project development activities aim to develop bankable projects which may be funded either through the STDF or by donors present on the ground in the LDC. The appointment of Mr K.E. Sovann of Cambodia as LDC representative to the STDF further strengthened ties with the EIF at a governance level.

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<sup>6</sup> See for an overview of the Aid for Trade regional consultations document WT/COMTD/AFT/W/7 and G/SPS/GEN/864.

### *Coordination activities postponed to 2009*

19. Two coordination activities originally planned for 2008, the compendium on SPS-related technical assistance and the Trade Capacity Building Database, were postponed to 2009. Following concerns raised about the sustainability of the compendium in response to the circulation of a draft request for information by the Secretariat in April 2008, the Working Group agreed for the compendium to be pilot-tested as a follow-up activity to the regional workshops in East Africa, Central America and the Greater Mekong Delta Sub-region. The Secretariat plans to develop these regional compendia in the first quarter of 2009 utilizing information generated for the regional consultations.

20. Work on tracking the supply of SPS-related assistance was postponed to 2009 in view of developments on the reporting of trade-related assistance within the WTO and OECD. Following a decision by the OECD to concentrate its reporting role through the Creditor Reporting System for Aid for Trade, the WTO will lead further developments of the Trade Capacity Building Database as a mechanism for coordination and information exchange. The STDF will collaborate closely with the WTO on this database as a means to maximize its coordination potential through improved reporting of completed, ongoing and planned SPS assistance.

### **III. INFORMATION DISSEMINATION**

21. Various activities to disseminate information and increase awareness about the STDF were carried out. A newsletter was launched in 2008 to disseminate information on the work of the STDF and its partners to a wider audience. Three newsletters were published in 2008. The newsletters are available in English, French and Spanish, in print and on the STDF website.

22. In April 2008, the Working Group approved funding for the development of a short film to raise awareness among policy and decision-makers about the importance of SPS issues and promote SPS capacity building as a priority. The film will address the role of technical assistance in responding to SPS constraints and opportunities in three case study countries (Belize, Benin and Thailand/Vietnam for Highly Pathogenic Avian Influenza). A draft script outline (STDF 228 Add.1) was shared with members of the STDF Working Group for comments in September 2008. Discussions have been held with concerned government agencies in the three case study countries.

23. A tender notice for the production of the film was issued in May 2008. A limited response to this tender resulted in a second tender notice being issued in August 2008, to which six companies responded. Lucas Duran and José Carlos Alexandre were selected by the WTO Contracts Committee in November 2008 and the Secretariat intends to work closely with this company in the development of the film. Production will begin in 2009 and the film is expected to be finalized by mid-2009.

24. The first in a new series of STDF briefings aimed at disseminating information on STDF's activities more widely was published in December 2008 both in print and electronically. The first briefing focuses on good practice in SPS technical cooperation. Additional briefings on SPS capacity evaluation tools and other topics are under preparation for publication and distribution in early 2009.

25. Work is underway to improve the content and functionality of the STDF website. This includes updates and the inclusion of new information and translation of the content into French and Spanish.

26. Briefings were made at a number of events organized by STDF partners and observers including: the World Bank's Sustainable Development Network Week (February); the WTO SPS Committee meetings (March, June and October); the OIE International Committee (May); the IPPC Commission on Phytosanitary Measures (June) and IPPC Open-Ended Working Group (December); the Codex Alimentarius Commission (July) and Codex Regional Coordinating Committee meetings

for Europe (Warsaw, October) and the Pacific (Tonga, October); the Round Table Meeting on Aid for Trade in the Pacific (October); and the UNIDO Sharing Innovative Agribusiness Solutions Conference in Egypt (November 2008). Briefings on the STDF were also provided to various donors.

27. Presentations on the STDF were also delivered to the WTO Committee on Trade and Development; the WTO Sub-Committee on Least-Developed Countries; the WTO Geneva week; and as part of WTO technical assistance activities including, *inter alia*, Geneva-based trade policy courses and specialized courses on SPS and TBT, regional trade policy courses, regional SPS workshops and national SPS seminars.

#### IV. PROJECT DEVELOPMENT

28. A target of 12 PPGs to be funded through the STDF was set in the Operating Plan for 2008-09. A total of 14 applications for project preparation grants were received in 2008.<sup>7</sup> Six of these applications were accepted for funding (see Table 1), reflecting an approval rate of 43 per cent.

**Table 1. Project preparation grants approved in 2008**

PPG Number and Title	Beneficiary	LDC / OLIE
STDF 221: Improving the competitiveness of suppliers in Burkina Faso in national, regional and international markets	Burkina Faso	Yes
STDF 223: Strengthening the official food control programme to support an emerging food business sector in the Republic of Moldova	Moldova	No
STDF 232: A phytosanitary capacity building strategy for Africa	Cameroon and other African countries	Yes
STDF 234: LaoGAP	Lao PDR	Yes
STDF 242: Elaboration of SPS needs expressed in the IF DTIS	Comoros	Yes
STDF 268: Harmonization of the legal, regulatory and institutional framework for an SPS control management system	Tanzania	Yes

29. A total of 31 PPGs had been approved at the end of December 2008 (Table 2), of which 23 (74%) benefited LDCs and/or OLIEs. Twenty three PPGs had been completed, seven were ongoing and one was pending contracting.

**Table 2. Summary of all PPGs approved, 2005 to 2008**

	Completed	Ongoing	Pending	Total
Africa	16	5	1	22
Asia	2	1	-	3
Latin America and Caribbean	3	-	-	3
Other	2	-	-	2
Multi-region	-	1	-	1
<b>Total no. of PPGs</b>	<b>23</b>	<b>7</b>	<b>1</b>	<b>31</b>
<i>In LDC and/or OLIE</i>	<i>74%</i>	<i>71%</i>	<i>100%</i>	<i>74%</i>

<sup>7</sup> STDF 221, 223, 231, 232, 233, 234, 235, 236, 239, 241, 242, 261, 262 and 268.

## V. PROJECT FUNDING

30. The STDF Operating Plan for 2008-09 set a target to fund eight projects in the period from 2008-2009. In 2008, a total of 28 requests for project funding were considered at STDF Working Group meetings (some of these applications were considered at more than one Working Group meeting).

31. The Working Group approved seven projects for funding by the STDF for a total value of US\$ 2,544,978 (Table 3). In addition, one project (STDF 265) was approved for funding outside the Facility.

**Table 3. Projects approved in 2008**

Project Number and Title	Beneficiary	LDC / OLIE	Budget
STDF 116 rev.1: Development and implementation of a traceability system in the livestock sector in Costa Rica	Costa Rica	-	465,220
STDF 126: Support for the establishment of the Horticulture Development Council of Tanzania <sup>8</sup>	Tanzania	Yes	268,755
STDF 155: Nicaragua market oriented training service on market application	Nicaragua	-	537,435
STDF 230: Establishment of Pest Free Areas for Lethal Yellowing Disease in Coconuts	Mozambique	Yes	346,528
STDF 238: Development of accredited Good Practices and HACCP certification schemes for fresh and processed food products	Guatemala	-	397,420
STDF 246: Development of SPS Action Plan for Cambodia	Cambodia	Yes	250,000
STDF 255: Regional initiative to control fruit fly in 8 West African countries.	West Africa	Yes	279,620
STDF 265: Compartmentalization for avian influenza and Newcastle disease in the commercial poultry sector in Brazil <sup>9</sup>	Brazil	-	-

32. By the end of December 2008, a total of 34 projects had been approved for STDF funding (Table 4) and five projects (STDF 52, 66, 100, 113 and 265) were approved for external funding. Fourteen (41.2%) projects, approved for STDF funding, were for the benefit of LDCs and/or OLIEs.<sup>10</sup> Fourteen projects had been completed, thirteen were ongoing and seven were pending contracting.

**Table 4. All STDF projects approved, 2005-08**

	Completed	Ongoing	Pending	Total
Africa	1	8	3	12
Asia	2	1	1	4
LAC	3	1	3	7
Other	-	2	-	2
Multi-region	8	1	-	9
<b>Total no. of projects</b>	<b>14</b>	<b>13</b>	<b>7</b>	<b>34</b>
<i>In LDC and/or OLIE</i>	<i>8%</i>	<i>60%</i>	<i>57%</i>	<i>41%</i>

<sup>8</sup> Initially approved in June 2007 subject to revisions. Re-approved in October 2008.

<sup>9</sup> Approved for funding outside the STDF.

<sup>10</sup> Excluding multi-country projects which benefited one or more LDC and/or OLIE in addition to non-LDC/OLIEs.

33. An overview of projects approved for STDF funding in 2008 is presented below.
34. *STDF 116 rev. 1: Development and implementation of a traceability system in the livestock sector in Costa Rica.* This project, which resulted from a PPG approved in 2006, aims to enhance market access for livestock products from Costa Rica through the development of a sustainable traceability system for the livestock sector. Activities include updating and harmonization of legislation based on international standards, development of an animal stock registry (including the identification of risk areas), identification of animal movement patterns, and enhancements to the epidemiological survey system to facilitate the recognition of disease free areas. The project will be implemented by the National Service of Animal Health within the Ministry of Agriculture and Livestock of Costa Rica. Discussions are ongoing with IICA on project supervision.
35. *STDF 126 rev.1: Creation of a Horticulture Development Council of Tanzania.* This project was developed in response to a need identified in Tanzania's DTIS. It aims to develop a public-private partnership mechanism for the horticulture sector in Tanzania with a view to increasing coordination between private sector, public sector, civil society and donors and facilitate the adoption of a market-oriented national horticultural strategy. Activities will include national stakeholder workshops, funding of HODECT meetings and recruitment of an executive officer. The project will be implemented by the Tanzania Horticulture Association. The Secretariat is discussing possible project supervision by ITC.
36. *STDF 155: Nicaragua Market Oriented Training Service on Standards Application (MOTSSA).* This project, which resulted from a PPG approved by the Working Group in October 2006 and implemented by Michigan State University (MSU), aims to enhance national capacity to meet official and commercial SPS requirements by using the value chain approach to develop training models taking into account all parties concerned. The value chains selected have been: peanuts, okra and dry beans. The main objectives of the project are: i) to establish SPS professional training units operated by the National Bureau of Accreditation (ONA); ii) to assist the Ministry of Agriculture (MAGFOR), the Institute of Agricultural Technology (INTA) and the ONA to develop training manuals, quality and good process controls; and iii) to establish innovative and sustainable certification models which could be replicated in other product chains. Discussions are ongoing with IICA on project implementation.
37. *STDF 230: Establishing areas free of Lethal Yellowing Disease (LYD) of coconuts in Mozambique.* This project aims to build phytosanitary capacity in Mozambique to implement ISPMs 4, 6, 8 and 9 to manage LYD in palms as a means to increase market access for coconuts from Mozambique, in part through resumption of exports to South Africa. By implementing a national surveillance programme for LYD in palms, the project will enable the government to more effectively control the disease, including the establishment and/or maintenance of pest free areas. The project will be implemented by the Ministry of Agriculture and Plant Protection Services at the provincial level in collaboration with the Universidade Eduardo Mondlane, the private sector and the IPPC Secretariat. Linkages are being established with the Millennium Challenge Cooperation, which is funding the rehabilitation of areas affected by LYD in the north of Mozambique.
38. *STDF 238: Development of accredited good practices and HACCP certification schemes in Guatemala.* This project will develop and implement accredited inspection and certification schemes for Good Agricultural Practices, Good Manufacturing Practices and HACCP for fresh and processed food products as a means to improve the capacity of public authorities to control the safety and quality of food production and exports. Activities will include the development of a legal framework for HACCP-based inspection and the use of accredited laboratories and inspection agencies; preparation of inspection manuals addressing GAP, GMP and HACCP; training for laboratory technicians; and improvements to the Laboratory Proficiency Testing Unit. The project will be implemented by the Guatemalan Exporters Association in collaboration with the Ministry of Economy, the National Technical Training Institute and the University Del Valle. Following concerns raised by the United

States Department of Agriculture (USDA) regarding duplication with ongoing activities, the project will most probably be referred back to the Working Group in February 2009.

39. *STDF 246: Development of an SPS Action Plan for Cambodia.* This project aims to develop an SPS Action Plan for Cambodia with the involvement of relevant public and private sector stakeholders. The action plan will address SPS compliance issues and capacities required for food safety, plant and animal health, and the agro-food trade. It will discuss policy options and propose priorities for public sector policies, regulatory and institutional adjustments, and public and private investments for managing SPS measures. The project was developed as an output of the STDF regional consultation on Mobilizing Aid for Trade in the Greater Mekong Delta Sub-Region and will be implemented by FAO.

40. *STDF 255: Regional initiative on the fight against fruit flies in West Africa.* This regional project aims to bridge the gap between the validation (July 2008) and implementation (expected in the second half of 2009) of the EC scoping study and action plan for a regional response to fruit fly in West Africa. Under the project, fruit fly populations in eight pilot countries will be monitored and controlled through pilot tests in mango orchards using a range of control techniques including integrated pest management. Sensitization and training activities will be carried out to raise awareness about fruit fly damage and knowledge about mitigation techniques among farmers and other stakeholders. CIRAD has been contacted to be the implementing agency for the project, in cooperation with the International Institute for Tropical Agriculture (IITA) and the World Bank. Discussions on contracting modalities are ongoing.

#### ***Implementation of ongoing projects***

41. From January to December 2008, contracts were concluded and implementation started for the following projects, which were approved in 2007:

- STDF 48: Quality control for shea and cashew nut products in Benin. Contract with FAO.
- STDF 62: Strengthening food safety in Cameroon. Contract with FAO.
- STDF 69: Improving capacity to ensure the safety and quality of Yemeni seafood products. Contracts with the Yemeni Seafood Exporters Association and with ITC as the supervisory agency.
- STDF 134: Capacity building to improve fish trade performance of selected West African countries. Contract with FAO.
- STDF 170: Strengthening the capacity of government SPS officials in Nepal. Contract with FAO.
- STDF 171: East African Phytosanitary Centre. Contract with CABI Africa and with FAO acting as the supervisory agency.

42. Funding shortfalls in the second half of 2008 have created a backlog of approved projects to be contracted. The Secretariat is currently discussing contracting of six projects. It is expected that contracts and/or supervisory agreements should be concluded by early 2009.

43. Extensions were granted to two projects to enable them to run until the end of 2008:

- STDF 65, implemented by UNCTAD, to develop a private/public safety control system for the horticultural export sector in Guinea.

- STDF 79, implemented by FAO, to develop quality information on SPS issues in support of the International Portal on Food Safety, Animal and Plant Health.

***Projects completed in 2008***

44. Three projects were completed in 2008. An overview of each is given below:

45. *STDF 13: Development of Regional Action Plans to Enhance Veterinary Capacity in East and West Africa.* This project, implemented by FAO on behalf of OIE, developed regional strategies and action plans in East and West Africa to enhance public and private sector capacity in meeting international sanitary standards in international trade of livestock and livestock products.

- Outputs: Pilot projects were implemented in Mali, Ethiopia and Djibouti to strengthen veterinary services and public-private partnerships to enhance the cost-effectiveness of sanitary control systems. Two regional strategies and action plans were produced to enhance public and private sector capacity in meeting international sanitary standards for trade in livestock and livestock products. Representatives from exporting and importing countries in each region attended regional workshops in Bamako, Mali (May 2008) and/or Amman, Jordan (June 2008).
- Impact: An independent external evaluation is being planned, which will assess the project's impact.

46. *STDF 114: Effective aflatoxin management system in Brazil nut production.* This project validated and disseminated an aflatoxin management system for the Brazil nut production chain as a means to reduce aflatoxin contamination and enhance market access. It was implemented by the Centre de coopération internationale en recherche agronomique pour le développement (CIRAD) and the National Food Administration, Sweden in collaboration with the Ministry of Agriculture, Livestock and Supply, Brazil.

- Outputs: Research was carried out to identify Critical Control Points for aflatoxin contamination in Brazil nut production. Good practices and post-harvest technologies were developed. Stakeholders were trained in good practices and sampling methods. Information related to the project's activities and research work were disseminated among relevant stakeholders in the country and a website create ([www.stdf-safenutproject.com](http://www.stdf-safenutproject.com)).
- Impact: An independent external evaluation is being planned, which will assess the overall impact of the project including on trade and post-harvest losses.

47. *STDF 173: Assessing capacity building needs of food control systems in developing APEC Member Economies.* This project was implemented by Food Standards Australia New Zealand (FSANZ) and FAO in cooperation with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) in the People's Republic of China. Project activities focused on the provision of training to assess capacity building needs and develop action plans to address these needs. The training was targeted at officials responsible for food control.

- Outputs: Twenty officials from government food control regulatory agencies and the food industry in eight APEC Member Economies attended a training workshop in Beijing from 19-23 November 2007. They acquired skills to apply FAO's food safety capacity evaluation tools. Participants from six of the beneficiary economies reported that they used these skills to identify and prioritize food safety capacity building needs in their own countries and develop national capacity building action plans. Action plans were produced in five economies and are under development in two economies.

- Impact: An independent external evaluation is being planned, which will assess the project's impact.

### ***Projects evaluated in 2008***

48. Two projects were subject to independent external evaluations in 2008.

49. *STDF 15: Training on the WTO SPS Agreement for new Delegates of OIE Member Countries – "Training for Trainers"*. The project was implemented by OIE in collaboration with the "Ecole Nationale des Services Veterinaires" (ENSV) and the WTO.

- Outputs: A training curriculum was developed which included a CD-ROM for OIE delegates and an Educational Tool Box for the organizers of "Training for Trainers". A pilot seminar in Paris was organized to test the training model. Five regional training seminars took place for Chief Veterinary Officers and their collaborators, four of these were organised in conjunction with WTO regional workshops.
- Impact: The independent external evaluation acknowledged the positive impact of the project and noted that it had made a "real difference to the awareness levels and day-to-day work of participants". The project was judged to be sustainable and benefits were found to continue after the end of the training, both at the individual participant level and at the institutional level.

50. *STDF 89: International Plant Health Risk Analysis Workshop*. The project comprised the development and dissemination of training materials on plant PRA for use at a national level and training on plant health risk analysis. It was implemented by FAO/IPPC.

- Outputs: Training materials on PRA were developed for use by national stakeholders. A total of 73 persons (over 50 per cent from developing countries) attended the FAO/IPPC International Plant Health Risk Analysis Workshop in Niagara Falls, Canada (24-28 October 2005). STDF funding was used to finance the participation of developing country officials.
- Impact: The *ex post* evaluation concluded that the workshop had been very successful and that the participants were satisfied with it. The majority of the aims of the workshop were achieved and responses to a follow-up questionnaire indicated that the participants had disseminated the information received and used it in their work when they returned to their home countries.

51. Inadequate information on qualified evaluation consultants has delayed external evaluations of projects completed in 2008. The Secretariat is continuing its work to build up a list of qualified evaluation consultants with experience in the area of SPS.

52. STDF 20 is currently undergoing an independent external evaluation, which is expected to be completed by the beginning of 2009. Discussions are ongoing on the external evaluation of STDF 19 activities in Paraguay in early 2009. Evaluations of other projects will follow in 2009.

## **VI. OPERATION OF THE FACILITY**

53. Three Working Group meetings took place in 2008 on 4 April, 26-27 June and 10 October, each one attended by an average of 45 participants. Meetings were chaired by Dr. Sarah Kahn of the OIE with Ms Sophie Flensburg, Permanent Mission of Denmark to the WTO, acting as vice-chair. Ms Flensburg was appointed in October as the new chair for the Working Group in 2009. Consultations are ongoing to identify possible candidates for the position of vice-chair.

54. Developing countries and LDCs were represented at the Working Group meetings. Mr Larry Lacson (plant health expert, the Philippines), Jennifer Rathebe (food safety expert, South Africa) and Carlos Correa (animal health expert, Uruguay) represented developing countries. In April 2008, Mr K. E. Sovann, Permanent Mission of the Kingdom of Cambodia to the WTO, was appointed as LDC representative to the STDF.
55. In June 2008, the United Nations Economic Commission for Europe (UNECE) submitted a request for observer status. The Working Group decided to refer this request for consideration at the Policy Committee meeting in December 2008.
56. Two new staff (Ms Marlynne Hopper and Ms Kenza Le Mentec) joined the Secretariat in March 2008, enlarging the size of the team to four full-time professional staff, one half-time professional staff (shared with the IF) and one temporary support staff person. Mr Simon Padilla completed his contract in the Secretariat in July 2008. Interviews to recruit a support staff person took place in November and it is expected that this person will be in place by February 2009.
57. The Operating Plan for 2008-09 was based on a target level of funding of US\$ 5 million. In total, CHF 3,492,262 (approximately US\$ 2,924,843) was received in donor funding in 2008. This is equivalent to a funding gap of US\$ 2,075,157.
58. Three new donors (European Commission, Finland and Switzerland) made financial contributions to the STDF in 2008, which amounted to a total of CHF 705,850. This brings the total number of donors to the STDF to 15 as of December 2008.
59. The total cost of operating the STDF Secretariat in 2008 amounted to US\$ 4,264,651. Estimated and actual operating budget for 2008 is outlined in Table 5 below.
60. In June 2008, an independent evaluation of the STDF was commissioned. The evaluation was requested by donors as a basis for decisions on future funding for the Facility. The Working Group selected Dr Stuart A. Slorach to carry out the evaluation. The evaluation was completed in November. It judged the overall performance of the STDF "to be good and in many important areas very good" and recognized that the STDF "carries out an important role that no other single body would be able to accomplish and the participation of the five partner organizations, the donors and the observer organizations means that it has ready access to expertise in a large number of SPS- and development-related areas". The evaluation will be formally considered at the Policy Committee when it meets at FAO Headquarters in Rome on 16 December. The final evaluation report ([STDF 248 Final](#)) is available on the STDF website.

**Table 5: STDF Operating Budget for 2008**

SUB-CHAPTER STDF	Description	STDF Ref.	Budget Estimate USD	Actual CHF	Actual USD @ 1.194
<b>Technical missions and Co-ordination</b>					
Technical missions	36 Technical missions			170,992	143,209
Evaluation	APP. REV. STDF 220			600	503
Evaluation	EX-POST EVAL. STDF 20			6,000	5,025
Evaluation	EX-POST EVAL. STDF 15 & APP. REV. STDF 219			9,333	7,817
Evaluation	APP. REV. STDF 216 & EX- POST.EVAL. STDF 89 & 120			6,000	5,025
Global Activities	WORKSHOP C.E. TOOLS	STDF 215		84,030	70,377
Global Activities	WORKSHOP PRIV. STAND.			20,828	17,444
Global Activities	WORKSHOP GOOD PRACT.			61,877	51,823
Regional Activities	REG. FRUIT FLY	STDF 225		12,939	10,837
Regional Activities	REG. CONS. RESEARCH WORK	STDF 175		177,793	148,906
Regional Activities	REG. CON. WSHOP. C.AMERICA	STDF 175		60,171	50,395
Regional Activities	REG. CON. WSHOP. G.MEKONG	STDF 175		56,554	47,365
Regional Activities	REG. CON. WSHOP. E.AFRICA	STDF 175		104,663	87,658
<b>Total</b>			<b>783,000</b>	<b>771,781</b>	<b>646,382</b>
<b>Project Development</b>					
PPG	PPG	STDF 127		-4,399	-3,684
PPG	PPG	STDF 52		184	154
PPG	PPG	STDF 155		-1,550	-1,298
PPG	PPG	STDF 105		20,350	17,044
PPG	PPG	STDF 223		23,701	19,850
PPG	PPG	STDF 165		21,800	18,258
PPG	PPG	STDF 172		425	356
PPG	PPG	STDF 191		29,963	25,095
PPG	PPG	STDF 221		23,880	20,000
PPG	PPG	STDF 234		18,925	15,850
<b>Total</b>			<b>215,000</b>	<b>133,279</b>	<b>111,624</b>
<b>Project Funding</b>					
PROJECT	PROJECT	STDF 19		-7,270	-6,089
PROJECT	PROJECT	STDF 146		-32,146	-26,923
PROJECT	PROJECT	STDF 69		-17,811	-14,917
PROJECT	PROJECT	STDF 134		455,629	381,599
PROJECT	PROJECT	STDF 127		369,864	309,769
PROJECT	PROJECT	STDF 133		-5,397	-4,520
PROJECT	PROJECT	STDF 48		528,853	442,925
PROJECT	PROJECT	STDF 62		458,451	383,962
PROJECT	PROJECT	STDF 170		346,856	290,499
PROJECT	PROJECT	STDF 171		801,304	671,109
PROJECT	PROJECT	STDF 173		1,525	1,277
<b>Total</b>			<b>2,700,000</b>	<b>2,899,857</b>	<b>2,428,691</b>
<b>Operating Expenses</b>					
HR	STDF staff expenditures			673,839	564,354
HR	HR - Evaluation STDF			24,662	20,655
OTH	Miscellaneous			2,771	2,321
<b>Total</b>			<b>620,000</b>	<b>701,272</b>	<b>587,330</b>
<b>Sub-total</b>			<b>4,318,000</b>	<b>4,506,189</b>	<b>3,774,028</b>
Overheads			561,340	585,805	490,624
<b>GRAND TOTAL</b>			<b>4,879,340</b>	<b>5,091,994</b>	<b>4,264,651</b>