

Standards and Trade  
Development Facility

Annual Report 2011





# STANDARDS AND TRADE DEVELOPMENT FACILITY

## ANNUAL REPORT 2011

A global partnership of the Food and Agriculture Organization, the World Organisation for Animal Health, the World Bank, the World Health Organization and the World Trade Organization





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## LIST OF ACRONYMS

AUC	African Union Commission
AU/IAPSC	African Union/Inter-African Phytosanitary Council
AU/IBAR	African Union/Inter-African Bureau for Animal Resources
CEN-SAD	Community of Sahel-Saharan States
CIDT	Centre for International Development and Training
CIRAD	Centre de Coopération Internationale en Recherche Agronomique pour le Développement
COLEACP	Comité de Liaison Europe-Afrique-Caraïbes-Pacifique
COMESA	Common Market for Eastern and Southern Africa
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
ECOWAS	Economic Community of West African States
EIF	Enhanced Integrated Framework
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
IDB	Inter-American Development Bank
IICA	Inter-American Institute for Cooperation on Agriculture
IPPC	International Plant Protection Convention
IsDB	Islamic Development Bank
ITC	International Trade Centre
LDCs	Least Developed Countries
MCDCA	Multi Criteria Decision Analysis
NRI	Natural Resources Institute
OECD	Organization for Economic Cooperation and Development
OIE	World Organisation for Animal Health
OLICs	Other Low Income Countries
PAN-SPSO	Participation of African Nations in Sanitary and Phytosanitary Standard-setting Organizations
PPGs	Project Preparation Grants
PPPs	Public-Private Partnerships
RECs	Regional Economic Communities
SADC	Southern African Development Community
SPS	Sanitary and Phytosanitary
STDF	Standards and Trade Development Facility
TFF	Trade Facilitation Facility
TSPN	Trade Standards Practitioners Network
UNIDO	United Nations Industrial Development Organization
USDA	United States Department for Agriculture
WHO	World Health Organization
WTO	World Trade Organization

## EXECUTIVE SUMMARY

1. The Standards and Trade Development Facility (STDF) aims to improve the capacity in developing countries to meet international sanitary and phytosanitary (SPS) requirements and increase the effectiveness of high-quality SPS-related technical cooperation. This report highlights how STDF's activities in 2011, i.e. the fifth and final year of its Medium Term Strategy (2007-2011), contributed to achieving the following five outputs of its work programme: (i) development of high-quality tools and information resources to support SPS capacity building for use by beneficiaries, donors and other organizations; (ii) dissemination of experiences and good practices in SPS capacity building; (iii) SPS issues and priorities addressed by other trade capacity building programmes; (iv) improved capacity of beneficiaries to identify SPS needs and formulate project proposals; and (v) improved capacity of beneficiaries of STDF projects to analyse and implement international SPS requirements. The overall objective of STDF's work is to contribute to improved food safety, animal and plant health, economic growth, poverty reduction and food security in developing countries.

2. The STDF initiated pilot testing work on Multi Criteria Decision Analysis (MCDA) in Mozambique and Zambia in an effort to help SPS practitioners make informed decisions on SPS capacity building options ("investments") and resource allocations. This included the development and application of a draft MCDA guidebook. In both countries, this work demonstrated the usefulness of the MCDA approach to facilitate an open and transparent discussion about SPS capacity building needs among public and private sector stakeholders. At a subsequent workshop for selected SPS experts from Africa in Johannesburg, South Africa, participants agreed that the MCDA framework presents a useful tool to guide and support SPS decision-making and is likely to work best in countries that have effective SPS coordination mechanisms in place, and that the results generated need to be seen in terms of the reliability of, and confidence in, the data used. The Working Group agreed to further test the application of the MCDA tool in 2012 in Asia.

3. In an effort to enhance ownership of beneficiaries in the development, and hence implementation, of SPS-related projects, the STDF collaborated with the Enhanced Integrated Framework (EIF) on the preparation of a practical guidebook and the organization of two "hands-on" training workshops on project development in a results-based management context in Nepal and Central African Republic. The STDF also continued to observe an increasing interest among SPS stakeholders in the preparation of SPS strategies, action plans etc. at national, regional and thematic levels. Consideration could be given to the development of tools and training material in future STDF work plans, building on existing STDF work on, for instance, SPS indicators to measure the performance of SPS systems, the use of economic analysis to inform SPS decision-making, public-private partnerships in support of SPS capacity, national and regional SPS coordination mechanisms, SPS-related capacity evaluation tools, etc.

4. Work was completed and studies and publications were published on: (i) "SPS-Related Capacity Evaluation Tools: An Overview of Tools Developed by International Organizations"; (ii) "Climate Change and Trade: The Link to Sanitary and Phytosanitary Standards"; and (iii) "Use of Economic Analysis to Inform SPS-related Decision-Making". In addition, a study on "National SPS Coordination Mechanisms: An African Perspective" was finalized and preliminary conclusions were presented at a WTO workshop on best practices in national and regional SPS coordination in October 2011. The study illustrates that strengthening coordination among relevant government institutions at the national and sub-national level, and with the private sector, reduces information gaps, promotes synergies in the implementation of SPS measures and enhances the effectiveness of available resources. Ultimately, this improves countries' implementation of the SPS Agreement and participation in the international standard-setting bodies.

5. Information on SPS-related technical cooperation, experiences and good practice was shared and disseminated through STDF's website, newsletters, participation in a series of internal and external events, and in Working Group meetings. The STDF initiated the creation of the STDF Virtual Library, i.e. a central repository containing electronic documentation, including SPS needs

assessments, action plans, training materials, research papers and articles from various publishers and sources. The new system will allow the Secretariat to better manage a large amount of documents, and inform and assist beneficiaries, international organizations, stakeholders, researchers and consultants in the development and implementation of SPS-related capacity building. The production of Arabic, Chinese and Russian versions of the STDF film "Trading Safely: protecting health, promoting development" was finalized and the film has continued to be widely distributed to raise awareness about the importance of strengthening SPS capacity.

6. The STDF reported on its operations to the SPS Committee in Geneva and to the 6th Session of the Commission on Phytosanitary Measures (CPM) in Rome (March), the 79th OIE General Session in Paris (May) and the 34rd Session of the Codex Alimentarius Commission in Geneva (July). Three productive Working Group meetings were held in March, June and October, including extensive discussions on the development of a new five-year strategy for the Facility, a corresponding work plan for 2012 and adjustments to the STDF Operational Rules. Members agreed on a new STDF Medium Term Strategy (2012-2016) with a focus on: (i) further promotion of increased collaboration and interaction among providers of SPS-related technical cooperation; and (ii) strengthening the STDF as a "knowledge platform" for information exchange, sharing experiences and the identification and dissemination of good practice.

7. The Working Group accepted five project preparation grants (PPGs) and eight projects for funding for a total value of US\$4,311,830. In particular the review of project and PPG applications continued to require an increasing and significant portion of the Secretariat's time and resources. Eight projects showing good results were completed in 2011. Evaluations of four projects will be planned in 2012.

8. In conclusion, the STDF continues to be a concrete and successful example of Aid for Trade in action at an issue-specific SPS level. As such, it continued to work on the development of high-quality tools and information resources, the dissemination of experiences and good practice to support SPS capacity building, and the development and implementation of projects that assist developing country beneficiaries to improve their SPS situation and gain and maintain access to markets. If, and to what extent, there is a role for the STDF to "mainstream" SPS issues in programmes other than trade capacity building should be addressed in future STDF work plans. Critical factors to ensure that the STDF will continue to be effective and successful in the years to come include: (i) active engagement and support of partners, donors, observers and related initiatives; (ii) a fully staffed Secretariat; and (iii) availability of adequate funding in the STDF trust fund. Although the STDF met its annual target level of US\$5 million in 2011, additional funding will be necessary to implement STDF's new five-year strategy.



## 1. INTRODUCTION

1. This report provides an overview of STDF's activities in 2011 in accordance with its [Medium Term Strategy \(2007-11\)](#) and the outputs described in STDF's [Operating Plan 2011](#).

2. The STDF aims to: (i) improve the capacity of developing countries to meet international SPS requirements, and hence gain and maintain market access; and (ii) increase the effectiveness and synergies in the provision and delivery of high-quality SPS technical cooperation. In doing so, the STDF contributes to improved food safety, animal and plant health, economic growth, poverty reduction and food security in developing countries. The following five outputs contribute towards the achievement of these "higher-order" objectives:

- (a) High-quality tools and information resources to support SPS capacity building are developed by the STDF Secretariat and used by beneficiaries, donors and other organizations involved in the provision and delivery of SPS technical cooperation, and applied in countries;
- (b) Experiences and good practices in SPS capacity building are disseminated and discussed at the national, regional and international levels;
- (c) Trade capacity building programmes (e.g. Enhanced Integrated Framework (EIF), Aid for Trade, Trade Facilitation Facility (TFF), etc.) at the country level address SPS issues and priorities;
- (d) Beneficiaries of PPGs have improved capacity to identify SPS needs and formulate project proposals that are able to secure funding; and
- (e) Beneficiaries of STDF projects have improved capacity to analyse and implement international SPS requirements (as per specific project objectives);

3. To achieve these outputs, the STDF implemented a series of activities as outlined in the Operating Plan for 2011. The extent to which these activities have contributed to achieving the five outputs is measured by a set of indicators.

4. This report is structured as follows. Chapter I is the introduction. Chapters II to VI report on the implementation of STDF activities in 2011 within each of the five output areas. Each chapter is followed by a short conclusion. Chapter VII provides information on the preparation of a new Medium Term Strategy (2012-2016) for the Facility, while Chapter VIII contains information on funding and staffing levels. Annexes 1, 2 and 3 include an overview of STDF's operating budget in 2011.

## 2. HIGH-QUALITY TOOLS AND INFORMATION RESOURCES (OUTPUT I)

5. The STDF develops high-quality tools and information resources to support SPS capacity building for use by beneficiaries, donors and other organizations involved in the provision and delivery of SPS-related technical cooperation. This includes the implementation of specific activities and pilot projects on particular topics in the area of SPS capacity building. This chapter contains an overview of STDF's efforts in this regard.

## 2.1 Multi Criteria Decision Analysis (MCDA) in an SPS context

6. Building on the STDF workshop on the use of economic analysis methodologies to inform SPS decision-making held in Geneva in October 2009<sup>1</sup>, the STDF continued its work to assist developing countries to use Multi Criteria Decision Analysis (MCDA) to inform SPS decision-making and resource allocation. A consultant, Mr Spencer Henson, developed a draft MCDA guidebook, which was applied and tested in Mozambique and Zambia.

7. In Mozambique, national stakeholders with an interest in food safety, animal and plant health, trade, and export promotion came together for a one-day workshop on 13 April 2011 to identify and consider SPS capacity building options ("investments"), as well as decision criteria and weights to set priorities between the identified options. After the workshop, outstanding data was collected and detailed "information cards" were produced for eleven capacity building options that were identified. This data and information was used to run the MCDA analysis, which ranked the identified priorities for SPS capacity building. The preliminary findings were presented to representatives of government agencies and development partners at a meeting at the FAO Office in Maputo on 18 April. In addition to ranking identified SPS capacity building options, the work in Mozambique demonstrated the usefulness of the MCDA approach to facilitate an open discussion about SPS capacity building needs.

8. A second pilot testing exercise was conducted in Zambia in July 2011, including a half-day workshop on 6 July to identify SPS capacity building options for consideration, as well as decision criteria and weights. Development partners and government representatives discussed the framework and the preliminary results at a meeting hosted by the World Bank on 7 July. Application of the tool in Zambia was useful to further improve the methodology and process presented in the draft MCDA guidebook. As in Mozambique, it demonstrated the usefulness of the approach to facilitate dialogue among SPS stakeholders about priorities for SPS capacity building.

9. Following the applications at national level, the STDF organized a regional training workshop on 16-17 August 2011 in Johannesburg, South Africa, to train selected SPS experts from Africa on the use of MCDA. Over 41 participants (of whom 27 were funded by the STDF) attended the workshop, mainly from government departments and regional organizations in Africa. They confirmed the utility of the MCDA approach as a tool to support decision-making in the SPS area and made several useful observations to improve its future application. There was general agreement that the framework presents a useful tool to guide and support SPS decision-making and is likely to work best in countries that have effective SPS coordination mechanisms in place, but that the results generated need to be seen in terms of the reliability of, and confidence in, the data used. Some participants expressed interest to apply the MCDA tool in their national SPS committees or as part of STDF PPG requests.

10. Documentation from the pilot testing exercises in Mozambique and Zambia, presentations delivered at the regional workshop, as well as the draft MCDA guidebook, are available on the [STDF website](#). Further to the work in Africa, additional applications of the MCDA tool will be organized in Asia, as part of STDF's Work Plan for 2012.

## 2.2 International Trade and Invasive Alien Species

11. Throughout the year, discussions were held on the organization and facilitation of a global level STDF seminar on the cross-cutting topic of international trade and Invasive Alien Species (IAS). The Inter-agency Liaison Group on Invasive Alien Species (IAS), which met at the WTO in February 2011, unanimously welcomed a concept note prepared by the Secretariat outlining the objective and scope of this event. This note was further revised in close collaboration with the IPPC, OIE and WTO

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<sup>1</sup> More information on the workshop, including presentations and relevant documentation, is available on the STDF website (<http://www.standardsfacility.org/en/TAEcoAnalysis.htm>). The findings and conclusions from the workshop are summarized in STDF Briefing No. 3 (December 2009)

Secretariats and discussed in subsequent Working Group meetings. The seminar, which will be held on 12-13 July 2012, will aim to: (i) raise awareness about the detrimental effects of the introduction and spread of IAS for human, animal and plant health, and the importance of coherence and dialogue among SPS and environmental institutions at the national level in the development of strategies to control trade-related IAS; and (ii) review existing assistance to strengthen national capacity to manage IAS, and share experiences on approaches adopted by countries/regions with a view to promote good practice.

### 2.3 National SPS Coordination Mechanisms

12. Improving SPS capacity to promote trade, or meet other domestic policy objectives, depends on the combined efforts of a large number of different public and private sector stakeholders. In recognition of this, many developing countries are interested in setting up national mechanisms to better coordinate and consult on SPS matters. In 2011, the STDF completed a study in collaboration with the UK-based Natural Resources Institute (NRI) on "National SPS Coordination Mechanisms: An African Perspective", complementing the 2010 STDF publication "Regional SPS Frameworks and Strategies in Africa", which provided a preliminary analysis of the current and potential role of the African Union Commission (AUC) and Regional Economic Communities (RECs) in the SPS area. The 2011 study illustrates that strengthening coordination among relevant government institutions at the national and sub-national level, and with the private sector, reduces information gaps, promotes synergies in the implementation of SPS measures and enhances the effectiveness of available resources. Ultimately, this improves countries' implementation of the SPS Agreement and participation in the international standard-setting bodies.

13. In October 2011, the STDF presented the preliminary conclusions of this study at a WTO workshop on best practices in national and regional SPS coordination for officials responsible for implementation of the SPS Agreement, and Codex, IPPC and OIE standards. Workshop participants recommended *inter alia* that the SPS Committee consider the development of guidelines on national SPS coordination and/or a manual of good practices on SPS coordination. The STDF study may provide useful input and guidance to any future SPS Committee work in this area. More generally, interested stakeholders are encouraged to distribute and discuss the findings of the study, which will be published in the first quarter of 2012, as a means to promote dialogue on the role and functioning of national SPS coordination mechanisms, and identify concrete ways to enhance their operation and effectiveness.

### 2.4 SPS Action Planning

14. The STDF is observing increasing interest in developing countries in preparing targeted SPS strategies and action plans, at regional, national and/or thematic level, to better inform and structure SPS capacity building efforts. This is partly due to ongoing efforts to enhance SPS coordination (described above) and can also be illustrated by ongoing STDF project development work in this area, for instance in Central African Republic (STDF/PPG/308) and Comoros (STDF/PPG/242). It is vital that any such planning efforts are based on a proper assessment and prioritization of SPS needs. In this regard, the STDF continued to strongly encourage the application and use of relevant SPS-related capacity evaluation tools used and applied by its partners and other international organizations in the development of SPS-related projects.<sup>2</sup>

15. At a regional level, the Common Market for Eastern and Southern Africa (COMESA) shared its results-based SPS work plan with member states in its SPS Sub-committee on 23-24 June 2011 in Lusaka, Zambia. The plan focuses on: (i) the development of mutually agreed common certification schemes (i.e. the "COMESA Green Pass") for selected agricultural commodities; (ii) monitoring, surveillance and emergency preparedness; (iii) improved SPS information exchange between the public and private sector; and (iv) improved regional leadership and coordination on SPS issues. In

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<sup>2</sup> See the [STDF publication on SPS-related capacity evaluation tools](#).

December 2011, the Secretariat of the Southern African Development Community (SADC) submitted a PPG request to the STDF focusing on development of a strategy and work plan on SPS issues. The Secretariat observed that other regions would also seem to benefit from the preparation of concrete, realistic and inclusive SPS work plans, for instance in the Caribbean (notably in relation to the future work of the Caribbean Agricultural health and Food Safety Authority (CAHFSA)).

16. Similar developments are observed at a thematic level, for instance in relation to the newly created Partnership for Aflatoxin Control in Africa (PACA), supported by the Bill and Melinda Gates Foundation and the UK Department for International Development (DfID), which aims to establish a comprehensive, Africa-wide approach to aflatoxin control through the leadership of the African Union Commission (AUC). However, only limited progress has been made by the Economic Community of West African States (ECOWAS) in the implementation of the Regional Action Plan to Control Fruit Fly in West Africa<sup>3</sup>, which illustrates some of the difficulties encountered in using "political bodies" such as RECs with limited SPS management capacity and expertise as implementation vehicles for larger programmes. Still, fruit fly continues to be a major trade and food security concern, also in Eastern and Southern Africa, and future STDF work plans may consider an activity focusing on generating support for a continental approach towards this problem.

## **2.5 EIF Pilot Training on Project Development**

17. Beneficiaries of SPS-related technical cooperation often play a limited role in selecting, designing and implementing projects. Yet, stakeholder participation in project development is a crucial factor in enhancing ownership and in making support more effective. In 2011, as part of its Strategic Plan, the Enhanced Integrated Framework (EIF) initiated the roll-out of pilot training for national-level stakeholders in three selected LDCs to build their capacity on trade-related project identification, formulation and design using the principles of "managing for results".<sup>4</sup> As part of its collaboration with the EIF, the STDF participated in two training workshops: one in Nepal in March 2011 and the other in Central African Republic (CAR) in August 2011.<sup>5</sup> Both countries had identified SPS needs as a priority issue for their country.

18. The training was conducted by the Centre for International Development and Training (CIDT) of the University of Wolverhampton, UK. The programme featured a very hands-on approach with sessions that were tailored to the national context and participant needs, and provided the STDF an opportunity to assist SPS stakeholders on the ground in preparing project proposals using "logical frameworks". The project developed in Nepal (STDF/PG/329) was considered and approved by the Working Group for joint EIF/STDF funding in June 2011, while project development in Central African Republic (STDF/PG/308) is underway. One additional training workshop is planned by the EIF in 2012. It is envisaged that a practical guide on trade-related project development will be made available on the EIF and STDF websites.

## **2.6 SPS Indicators**

19. The STDF organized an informal meeting on 28 June 2011 for STDF partners and observer organizations to exchange information on ongoing and planned activities related to the use of economic analysis methodologies and the development of SPS indicators. Participants followed up on the technical working meeting on this issue on 1 July 2010 in Geneva and discussed opportunities and options for enhanced linkages and synergies across their activities.<sup>6</sup> It was recommended that

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<sup>3</sup> This plan was adopted at a meeting in Bamako, Mali in October 2009, following extensive work by the EU, the World Bank and the STDF. More information is available on the STDF website.

<sup>4</sup> The EIF is a programme that aims to: (i) mainstream trade into national development strategies; (ii) coordinate the delivery of trade-related technical assistance; and (iii) build capacity to trade, which includes addressing critical supply-side constraints.

<sup>5</sup> The Secretariat decided not to join the EIF for the workshop in Rwanda, as SPS issues were not among the priorities identified by the country.

<sup>6</sup> Information on STDF work on SPS indicators is available on the STDF website.

next steps, including revision of the draft Technical Working Paper on the development and application of SPS indicators to track and measure performance of national SPS systems, be discussed as part of future STDF work programmes. This work should be based on current and planned activities by partners and other organizations, notably on capacity evaluation in the areas of food safety, animal and plant health.

## **2.7 Conclusion on high quality tools and information resources (output I)**

20. Various STDF activities contributed towards the development and application of high-quality tools and information resources to support SPS capacity building. Studies and guides were produced to the satisfaction of users and recipients. Preliminary results of STDF's MCDA work in Africa are encouraging and application of this tool will be tested in Asia in 2012. The World Bank, the IPPC Secretariat and COMESA also expressed significant interest in the use of this framework to inform their own resource allocation decisions. The collaboration with the EIF was very useful in terms of assisting beneficiaries in preparing SPS-related projects using a "hands-on" approach, enhancing ownership and initiating the preparation of a practical guidebook on project development. Experiences show that this type of assistance is very much in demand. Consideration may be given in future STDF work plans to the development of specific tools and training material on SPS action planning, building on existing STDF work, such as SPS indicators, the use of economic analysis to inform SPS decision-making, public-private partnerships in support of SPS capacity, etc., and on the results of needs assessments tools developed and applied by partners. The organization of a series of meetings with the AUC and RECs in 2012 on their role and function in the SPS area may be a useful first step in this regard.

## **3. DISSEMINATION OF EXPERIENCES AND GOOD PRACTICES (OUTPUT 2)**

21. The STDF actively disseminated experiences and good practices in SPS capacity building at various levels using a range of different approaches and tools. More specifically, the following activities were undertaken in 2011:

### **3.1 STDF Working Group**

22. The STDF Working Group is one of the key mechanisms for sharing information and experiences on SPS capacity building. Three meetings were organized in Geneva – on 28 March, 27 June and 21 October 2011 – on the margins of the WTO SPS Committee. Each meeting was attended by an average of 40 participants. The meetings were chaired by Mr Thomas Westcot from the United States Department of Agriculture (USDA). Summary reports of the meetings are available on the [STDF website](#).

23. Each of the meetings had a full agenda and active participation. Project review, input and oversight of STDF's activities took up a significant portion of the meetings. The Secretariat continued efforts to increase information sharing and stimulate discussion by scheduling targeted presentations on specific SPS-related programmes and topics of interest to the SPS capacity building community (see Table 1), and by circulating relevant information on other SPS-related activities of partners, donors and other initiatives received by the Secretariat prior to the meetings. All information was made available on the [STDF website](#).

**Table 1: Presentations made to the STDF Working Group in 2011**

Working Group	Organization	Title
March	Inter-American Institute for Cooperation on Agriculture (IICA)	STDF project to Develop Capacities of the Countries in the Americas to Participate Effectively in the SPS Committee (STDF/PG/108)
March	Massachusetts Institute of Technology (MIT)	The Use of the Randomized Evaluation Methodology in SPS Projects
June	Inter-American Development Bank (IDB)	IDB - Integration and Trade Sector (INT) activities on SPS related issues
June	United Nations Industrial Development Organization (UNIDO)	UNIDO's Trade Standards Compliance Report 2010
June	Kenya Plant Health Inspectorate Service (KEPHIS)	KEPHIS' SPS-related Technical Assistance Activities
October	Natural Resources Institute (NRI)	(i) The SPS Toolkit; and (ii) Commodity-based Trade and the Results of a Case Study in Namibia
October	United Nations Industrial Development Organization (UNIDO)	UNIDO's Work on Trade-related Capacity Building, National Quality Infrastructure and Food Safety

24. Two additional presentations facilitated by the STDF were held on Wednesday 30 March 2011 for SPS delegates on the margins of the SPS Committee meeting. The first presentation was made by the African Union Inter-African Bureau for Animal Resources (AU/IBAR) on the EU-funded Africa Veterinary Governance Programme, and the second presentation by the Centre for the Promotion of Imports from Developing Countries (CBI) in The Netherlands on its SPS-related activities and programmes.

### 3.2 SPS Committee and Codex/OIE/IPPC meetings

25. The STDF reported on its operations to the SPS Committee in March, June and October 2011.<sup>7</sup> Reference was made to the STDF in the Committee's annual report.<sup>8</sup> In October, on the margins of the SPS Committee meeting, the STDF participated in the WTO workshop on best practices in national and regional SPS coordination and presented the preliminary findings of an STDF study on this topic. In March, the STDF reported on its work to the WTO Sub-Committee on Least-Developed Countries.<sup>9</sup>

26. The STDF reported on its operations to the 6th Session of the Commission on Phytosanitary Measures (CPM) in Rome (14-18 March), the 79th OIE General Session in Paris (22-27 May) and the 34rd Session of the Codex Alimentarius Commission in Geneva (4-9 July). In addition, the STDF participated in the FAO/WHO Regional Coordinating Committee for Africa (CCAFRICA) in Ghana

<sup>7</sup> See documents: G/SPS/GEN/1075 (March), G/SPS/GEN/1089 (June) and G/SPS/GEN/1114 (October). The reports are available on the STDF website and the SPS Information Management System (SPS-IMS).

<sup>8</sup> See document G/L/969

<sup>9</sup> See document WT/COMTD/LDC/W/49

(1-4 February) and in the second Meeting of the Expert Working Group on Phytosanitary Capacity Building in Jamaica (23-27 May).

27. The STDF organized a well-attended side event on phytosanitary capacity building options on 16 March, on the margins of the 6th Session of the CPM. The STDF presented its current work in relation to phytosanitary capacity building and facilitated discussions among participants. In a complementary presentation, the Secretariat of the Pacific Community (SPC) briefed participants about the results of an STDF-funded project in the Pacific, allowing Pacific Island countries to apply the IPPC Phytosanitary Capacity Evaluation (PCE) tool (STDF/PG/133).<sup>10</sup>

### 3.3 STDF Studies and Publications

28. In May 2011, the STDF released the second edition of its publication "SPS-Related Capacity Evaluation Tools: An Overview of Tools Developed by International Organizations". Initially published in February 2009, this publication provides up-to-date information on sector-specific and cross-cutting tools to assess SPS capacity developed by international organizations. Its purpose is to inform developing countries about the range of tools that can be used to evaluate their SPS-related capacity needs, and offer guidance on the selection of tools for various purposes. The tools are classified in three broad categories: (i) sector-specific tools that look exclusively at a particular thematic area within SPS; (ii) cross-cutting tools that look at the SPS system as a whole; and (iii) related methodologies and approaches that treat one aspect of SPS in a more general setting. For each tool, information is presented on how the tool is applied, its scope, an overview of the countries in which it has been applied, as well as experiences.

29. In September 2011, the joint STDF/World Bank publication: "Climate Change and Trade: The Link to Sanitary and Phytosanitary Standards", was released. This paper reflects and builds on discussions at a seminar on this topic, organized by the World Bank's Development Research Group and the STDF in Washington D.C. in September 2009. It seeks to raise awareness about issues related to SPS risks and standards in the context of agri-food trade and climate change. It analyses the scientific understanding of the relationship between climate change, food safety, plant pests, animal diseases and trade, and it identifies and discusses four key areas for future policy consideration, notably risk assessment, SPS capacity in developing countries, climate change resilience and basic research challenges.

30. In November 2011, the STDF issued a publication entitled "Use of Economic Analysis to Inform SPS-related Decision-Making", an initial version of which was presented at the STDF workshop on the use of economic analysis methodologies to inform SPS decision-making in Geneva in October 2009. This document reviews experiences with the use of economic analysis to guide priority-setting for SPS capacity building in developing countries, highlights the challenges faced in using such methods and provides general guidance to decision-makers on which economic analysis approaches are best suited to particular decision scenarios. In preparing the report, existing literature was reviewed and practitioners of economic analysis were consulted on their experiences.

31. Finally, the STDF completed a study, in collaboration with NRI, on "National SPS Coordination Mechanisms: An African Perspective" (see section 2.3.). The study will be published in the first quarter of 2012, including a two-page STDF briefing note highlighting the main conclusions and recommendations of the study. Work continued on another publication on "Public-Private Partnerships (PPPs) in support of SPS capacity" (in collaboration with the Inter-American Development Bank). This study builds on a previous STDF seminar organized on this topic in October 2010 and will examine a number of partnerships in the SPS area, highlight experiences and draw lessons for the future establishment and operation of SPS-related PPPs. The study will be published in the first half of 2012.

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<sup>10</sup> This project was evaluated in 2011 and the results will be presented to the Working Group in March 2012. See section XX below.

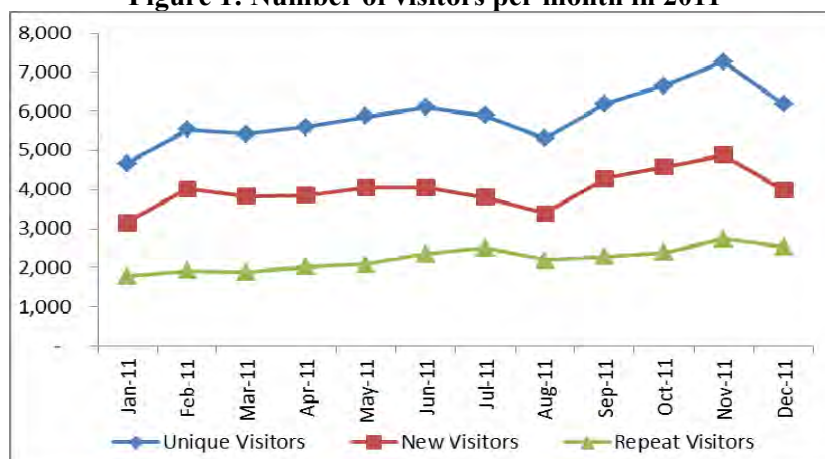
### 3.4 STDF Film: Trading Safely

32. In 2011, the STDF film: "Trading Safely: protecting health, promoting development" continued to be widely distributed and used by STDF partners, donors, beneficiaries and other organizations to raise awareness about the importance of strengthening SPS capacity in developing countries and allocating additional resources in this area. The production of Arabic, Chinese and Russian versions of the film (both the eight-minute and 30-minute version) was finalized in 2011.<sup>11</sup> Copies of the new language versions were distributed and shown on various conferences, meetings and training events of partners, donors, observers and beneficiaries, and are available on the STDF website (<http://www.standardsfacility.org/IRVideos.htm>).

### 3.5 STDF Website

33. French and Spanish versions of the STDF website were completed. The website was kept up-to-date on a regular basis and its content and functionalities were improved. An online calendar of events and an old news archive were developed and added to the system. The number of visits to the website steadily increased (see Figure 1).

**Figure 1: Number of visitors per month in 2011**



### 3.6 STDF Virtual Library

34. In 2011, the STDF started the creation of the STDF Virtual Library, i.e. a central repository containing electronic documentation, including SPS needs assessments, action plans, training materials, research papers and articles from various publishers and sources. The Virtual Library will allow the Secretariat to better manage a large amount of documents, inform and assist beneficiaries, international organizations, stakeholders, researchers and consultants in the development and implementation of SPS-related capacity building initiatives and assist in further disseminating experiences and good practices. Implementation of this project is done in two phases, and in close collaboration with WTO's Information Technology (IT) Division. The first phase, consisting of the development of functional specifications and a prototype of the system, was completed in October 2011. Around 800 documents were uploaded into the STDF Virtual Library. The second phase is expected to start in the first quarter of 2012. The Virtual Library is expected to be launched in the second quarter of 2012.

### 3.7 STDF Newsletters

35. Three STDF newsletters were produced in 2011 (March, June and October) to share information on SPS capacity building activities implemented by the STDF, partners and other relevant organizations, as well as other SPS-related news. The newsletters were distributed in hard copy at a

<sup>11</sup> With financial support from the Safe Supply of Affordable Food Everywhere (SSAFE) initiative.



number of SPS events including WTO SPS Committee meetings. They were also circulated through the WTO/STDF electronic distribution service and published on the STDF website (<http://www.standardsfacility.org/IRNewsletters.htm>).

### 3.8 Other Meetings and Initiatives

36. The STDF participated in and contributed to a number of internal and external meetings and events in 2011, providing training, highlighting experiences and good practice and sharing information about STDF's work.<sup>12</sup> These included four WTO regional training seminars on the SPS Agreement for Caribbean countries (26-29 July 2011, Barbados), for French-speaking African countries (15-18 November 2011, Mali), for English-speaking African countries, (22-25 November 2011, Kenya) and for Arab and Middle-East countries (27-30 November 2011, Qatar). The STDF also provided training to participants in the WTO Advanced SPS Course and participated in the Geneva Week.<sup>13</sup> The STDF contributed to a seminar, organized by the Islamic Development Bank (IsDB), on the WTO SPS and TBT Agreements and their implications for countries from the Organization of Islamic Conference (OIC) (15-17 March 2011, Malaysia).

37. The STDF continued to provide strategic advice to the EU-funded Participation of African Nations in Sanitary and Phytosanitary Standard-setting Organizations (PAN-SPSO) project implemented by AU-IBAR and AU-IAPSC. The objective of this project is to enhance the effective participation of African countries in the work of the international standard setting bodies (Codex, IPPC and OIE). PAN-SPSO meetings took place on 12 August 2011 in Bamako, Mali, and on 9-11 November in Douala, Cameroon. The STDF provided extensive comments on the draft PAN SPSO evaluation report and made several suggestions to improve an agreed second phase of this project (2012-2013). In Douala, the STDF facilitated several presentations by IICA on South-South co-operation issues under the PAN SPSO project. Participants at the meeting identified a number of lessons to be learnt from similar projects implemented in the Americas since 2002 and concluded that in several areas there is no need to "reinvent" the wheel.

38. The STDF participated in one national workshop, organized under the PAN-SPSO project on enhancing participation in the SPS standard-setting process and SPS coordination at national level in Senegal, on 3-5 October 2011. The workshop resulted in the adoption of an action plan for the establishment of a national coordination mechanism on SPS issues. The STDF also participated in the third meeting of the COMESA SPS Sub-committee in Zambia on 23-24 June 2011. This meeting provided an opportunity to discuss COMESA's SPS work plan. Issues related to the Tripartite Free Trade Agreement (EAC, COMESA and SADC), notably its draft SPS Annex, as well as integration and prioritization of SPS issues within the CAADP framework, were also discussed.

39. The STDF attended a regional workshop on "SPS Capacity Building in Africa to Mitigate the Harmful Effects of Pesticide Residues in Cocoa and to Maintain Market Access" on 7-10 June 2011, in Yaoundé, Cameroon, organized by the International Cocoa Organization (ICCO), in collaboration with the Government of Cameroon. This workshop marked the formal launch of the project of the same name, partly funded by the STDF and EDES/COLEACP, and formulated on the basis of the findings of an STDF-funded study on strengthening SPS capacity in cocoa production (STDF/PG/298).

40. The STDF also contributed to a stakeholder workshop on the safety and quality of cinnamon on 7-8 July 2011 in Colombo, organized by the Spice Council of Sri Lanka in collaboration with

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<sup>12</sup> The Working Group agreed on a number of criteria to assist the Secretariat in determining whether to participate in external events. These criteria were codified in paragraph 17 of the revised STDF Operational Rules, adopted on 10 January 2012.

<sup>13</sup> The Geneva Week is organized regularly for WTO Non-Resident Members and Observers. Participants are briefed on the latest developments in the WTO, including on the work of the SPS Committee and the STDF.

UNIDO. This workshop was held in the context of an STDF PPG focusing on the establishment of a national cinnamon training academy for cinnamon processors. Around 80 participants representing the private and public sector gathered to discuss constraints identified along the cinnamon value chain and agreed on the best options to provide assistance to the sector to enhance the safety and quality of Sri Lankan cinnamon, and hence its export potential. The resultant project was approved by the Working Group at its meeting in October 2011 (STDF/PG/343).

41. Finally, the STDF attended a conference, organized by the Trade Standards Practitioners network (TSPN) and hosted by the World Bank on "Standards in South-South Trade and Opportunities for Advancing the Sustainability Agenda" on 30 November - 1 December 2011 in Washington, D.C. The conference focused on the dimensions and rationales of South-South trade in selected agri-food, fisheries, and forestry products and the current and potential role and importance of Voluntary Sustainability Standards (VSS) in this regard. Demand for the application of VSS for most South-South traded food products is currently still weak or absent. Promoting VSS in South-South trade may not be the best route for development partners, also considering that the dynamics of this trade are different than for North-South trade.

### **3.9 Conclusion on dissemination of experiences and good practices (output 2)**

42. Various activities contributed towards the dissemination and use of experiences and good practices in SPS capacity building. The STDF website continues to be well visited, which is illustrated by a steady increase in the number of visits. The Working Group meetings had very full agendas, which left relatively little time for information sharing and exchange of experiences. It was decided to schedule two Working Group meetings in 2012 for one day and a half each, which should allow for more discussion among members on their SPS-related technical cooperation activities, synergies to be established, identification of good practice, etc. The STDF continued to participate in a selection of events, for which it was invited, and provided information about its work, training activities, etc.

43. Demands on the Secretariat in the area of coordination and information dissemination continued to grow, notably in respect of: (i) preparing and disseminating publications, guides, newsletters and other information resources; (ii) keeping track, storing and exchanging information on relevant initiatives and programmes in the SPS area; (iii) communicating the results of project and PPGs; and (iv) maintaining the STDF website. It is envisaged that the STDF Virtual Library, once completed, will greatly assist the Secretariat in managing relevant SPS information. In addition, it would be useful to develop specific project and donor webpages, for instance with the assistance of interns. Finally, consideration should be given to the use of electronic communication and information technologies to maximize impact with limited resources. Such tools could facilitate the preparation and distribution of newsletters, organization of surveys and registration for STDF events.

## **4. SPS AND OTHER TRADE CAPACITY BUILDING PROGRAMMES (OUTPUT 3)**

44. The STDF is a concrete example of Aid for Trade in action, albeit at an issue-specific level. The STDF contributed to the Aid for Trade work programme and also engaged actively in the EIF, as part of continuing efforts to ensure that SPS issues and priorities are properly addressed.

### **4.1 Aid for Trade initiative**

45. The STDF participated in the 3rd Global Aid for Trade Review in Geneva on 18-19 July 2011 and submitted three Aid for Trade case stories on its own work, i.e. on indicators to measure the performance of SPS systems, on economic analysis to inform SPS decision-making and on public private partnerships in the SPS area. In addition, a short background note was prepared, based on case stories submitted by Benin, Mozambique and other LDCs, on the challenges faced by these and other countries in meeting SPS standards in the fisheries sector. The case studies highlight the importance of: (i) encouraging a pro-active approach to SPS capacity building (including assessment

and prioritization of SPS capacity needs, and a coordinated approach to SPS technical co-operation at the country level), rather than a crisis management reaction; (ii) ensuring the full commitment and engagement of both the public and private sector to strengthen SPS systems and the sharing of related costs; and (iii) strengthening the "software" for SPS compliance (including legal and regulatory frameworks, institutional capacity for implementing and enforcing SPS measures, SPS knowledge and skills among stakeholders), while ensuring adequate financial resources for SPS "hard" infrastructure.

46. The STDF also participated in the Regional Aid-for-Trade Forum for the Caribbean in Bridgetown, Barbados on 25-27 January 2011. In addition to trade liberalization and market access, specific drivers of SPS technical cooperation in this region include the protection of human, animal and plant health, biodiversity, and flora and fauna, which requires countries to strengthen quarantine and inspection procedures to keep out pests and diseases. Many Caribbean countries are net food importers. Other identified drivers included food security (rising food prices) and tourism (i.e. the main source of revenue for many countries). The importance of a regional approach was emphasised for instance in relation to monitoring and surveillance for specific pests and diseases, streamlining diagnostic capacity and accreditation of laboratories, mutual recognition of testing and conformity assessment procedures, monitoring notifications, etc. The recently established Caribbean Agricultural Health and Food Safety Authority (CAHFSA) could play a prominent role in this regard, yet any regional SPS strategy and work plan would need careful preparation involving stakeholders in member countries.

#### **4.2 Enhanced Integrated Framework (EIF)**

47. Collaboration with the EIF in the preparation, validation and update of Diagnostic Trade Integration Studies (DTIS) ("Tier 1") and project development ("Tier 2") is essential to STDF's coordination role and to the achievement of STDF's target to devote at least 40 per cent of project grant resources to LDCs and Other Low Income Countries (OLICs). In the past, several PPGs implemented by the STDF have followed up on SPS issues identified in DTIS action matrices.

48. The basis for collaboration with the EIF was further strengthened, notably in terms of validation of DTIS and project development. The STDF reviewed and circulated the following DTIS documents for comments to the Working Group and forwarded comments received to the EIF Secretariat.

- DTIS Concept Note for Afghanistan (May 2011);
- DTIS Update Concept Paper for Burundi (October 2011);
- DTIS for Bhutan (December 2011);

49. The STDF participated in an EIF regional workshop for Eastern and Southern African LDCs, on 15-17 February 2011, in Lesotho and made presentations on the facility and its work. The need to clearly articulate trade-related priorities in national development strategies, improve monitoring and demonstrate the results of trade-related assistance on economic growth and poverty reduction were among the key issues discussed. The EIF and STDF jointly organized two training workshops on project identification, formulation and design in Nepal, in March 2011, and in Central African Republic (CAR), in August 2011. A joint EIF/STDF proposal submitted by the Ministry of Agriculture in Nepal was approved for co-funding in June 2011. The STDF provided extensive comments on the SPS parts of EIF "Tier 2" projects in Burundi, The Gambia and Yemen.

#### **4.3 Conclusion on SPS and other Trade Capacity Building programmes (output 3)**

50. Various efforts were made to highlight the impact that SPS constraints can have on access to markets in the broader context of Aid for Trade and the EIF. The Secretariat also interacted with the Trade Facilitation Facility (TFF), administered by the World Bank, and outlined ways on how the

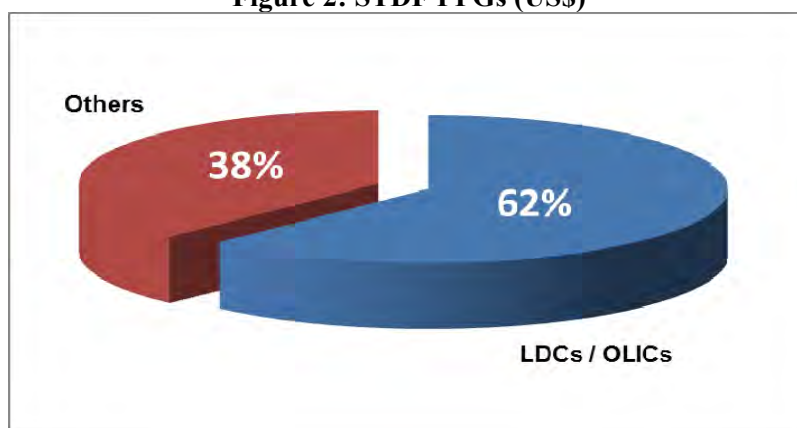
TFF and STDF could collaborate in terms of sharing information and reviewing TFF-funded SPS-related projects and programmes. As part of the STDF Work Plan for 2012, the Working Group approved thematic work of the STDF on the links between SPS and trade facilitation and collaboration between customs and SPS agencies, with a global event on this topic to be organized in 2013. Finally, in addition to various trade capacity building programmes, elements of SPS-related assistance could be incorporated in capacity building programmes in other areas focusing, for instance, on agriculture development, private sector development, environmental protection etc. If, and to what extent, there is a role for the STDF to "mainstream" SPS issues in such programmes should be addressed as part of future STDF work plans.

## 5. IMPROVED CAPACITY OF PPG BENEFICIARIES (OUTPUT 4)

51. The Secretariat reviewed various applications for PPGs and advised beneficiaries on issues related to the identification of SPS needs and the formulation of projects. As mentioned above in Chapter 3 and 4, the STDF participated in pilot training workshops in Nepal and Central African Republic, organized jointly with the EIF, to assist selected public and private sector officials in designing SPS-related projects.

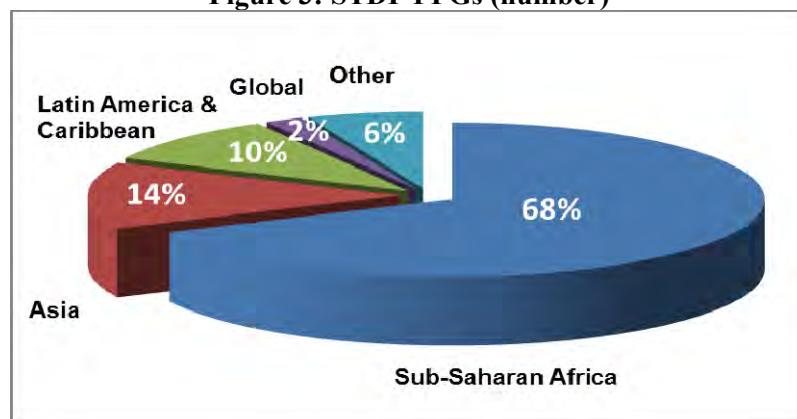
52. Since its inception, the STDF has dedicated 62 per cent of its resources available for PPGs to LDCs and OLICs (see Figure 2).

**Figure 2: STDF PPGs (US\$)**



53. Figure 3 shows the breakdown of the number of PPGs by region. In terms of project development, 68 per cent was undertaken in Africa, 14 per cent in Asia and 10 per cent in Latin America and the Caribbean.

**Figure 3: STDF PPGs (number)**



54. By the end of 2011, 40 PPGs were completed, resulting in corresponding project proposals. Of these, 18 projects were approved and funded by the STDF, while 14 projects were approved for funding outside the Facility. Six resulting projects were not approved by the Working Group, and one PPG resulted in a study.<sup>14</sup> One PPG was awaiting contracting by the end of 2011.

### 5.1 Formulation and Review of PPGs

55. Five PPG applications were accepted for funding in 2011, totalling US\$207,750 (see Table 2 below). This includes approval for a legal feasibility study to clarify the concept of the "COMESA Green Pass", with a total budget of US\$ 90,000 (STDF/PPG/346). Originally, COMESA had submitted three separate applications targeting different commodities, with a total budget of US\$30,000 each. Hence, the STDF considers the target of funding at least six PPGs in 2011 to be met. In total, 16 applications for PPGs were received in 2011. Of these, nine applications were considered for a funding decision by the STDF Working Group.<sup>15</sup>

**Table 2: PPGs approved in 2011**

PPG Number and Title	Beneficiary	LDC / OLIC	STDF funding (US\$)
STDF/PPG/343: Establishment of a National Cinnamon Training Academy (NCTA) for Cinnamon Processors in the Southern Province	Sri Lanka	No	30,000
STDF/PPG/344: Establishment of a Regional Food Inspectors School in Central America	Central America	Regional	30,000
STDF/PPG/345: Project for Feed Safety Regulations in Latin America and Caribbean	Latin America and Caribbean	Regional	30,000
STDF/PPG/346: Feasibility study on the concept of the COMESA Green Pass	COMESA member countries	Regional	90,000
STDF/PPG/359: Africa Joint Pesticide Residue Data Generation Project	Ghana, Kenya, Senegal, South Africa, Tanzania and Uganda	Regional	27,750
<b>TOTAL</b>			<b>207,750</b>

### 5.2 Implementation of PPGs

56. By the end of 2011, implementation was ongoing for eight PPGs. Implementation started in 2011 for the following seven PPGs:

- STDF/PPG/308: Developing an SPS action plan for the Central African Republic
- STDF/PPG/323: Enhancing the Safety and Quality of Agricultural Products in Senegal
- STDF/PPG/329: Support to Public and Private Sector for SPS Implementation in Nepal
- STDF/PPG/335: Strengthening the capacity for phytosanitary controls in the floriculture sector in Uganda

<sup>14</sup> It concerns the 2010 STDF publication on Regional SPS Frameworks and Strategies in Africa (see Chapter II).

<sup>15</sup> The following applications for PPGs were considered by the STDF Working Group in 2011: STDF/PPG/343, STDF/PPG/344, STDF/PPG/345, STDF/PPG/346, STDF/PPG/347, STDF/PPG/348, STDF/PPG/353, STDF/PPG/359 and STDF/PPG/365 (approved as a project).

- STDF/PPG/343: Establishment of a National Cinnamon Training Academy (NCTA) for cinnamon processors in the Southern Province of Sri Lanka
- STDF/PPG/344: Establishment of a Regional Food Inspectors School in Central America
- STDF/PPG/345: Project for Feed Safety Regulations in Latin America and Caribbean

57. The following five PPGs were completed in 2011:

*STDF/PPG/232: A phytosanitary capacity building strategy for Africa.* This PPG was implemented by the African Union Inter-African Phytosanitary Council (AU-IAPSC) and monitored by CABI Africa. The Secretariat considered the final strategy in need of further improvement and notably observed the lack of consultation that had taken place in preparing the document. The Working Group will be informed about this output at its first meeting in 2012.

*STDF/PPG/268: Harmonization of the legal, regulatory and institutional framework for an SPS control management system in Tanzania.* The resulting project, prepared by NRI, is reported to be implemented with support from a multi-donor basket fund (TSDP), the Government of Tanzania and other bilateral donors over a period of three years (US\$ 559,932). The Ministry of Industry and Trade (MIT) will coordinate implementation.

*STDF/PPG/328: Developing trade opportunities: an integrated systems approach for Pest Risk Management in Southeast Asia.* The resulting project, to be implemented by CABI South-East Asia, was approved by the Working Group for in March 2011.

*STDF/PPG/329: Support to Public and Private Sector for SPS Implementation in Nepal.* The resulting project, to be implemented by FAO, was approved by the Working Group for joint EIF/STDF co-funding in June 2011. The STDF facilitated discussions between EIF, FAO, and UNOPS to enable FAO (not being an EIF agency) to implement the project.

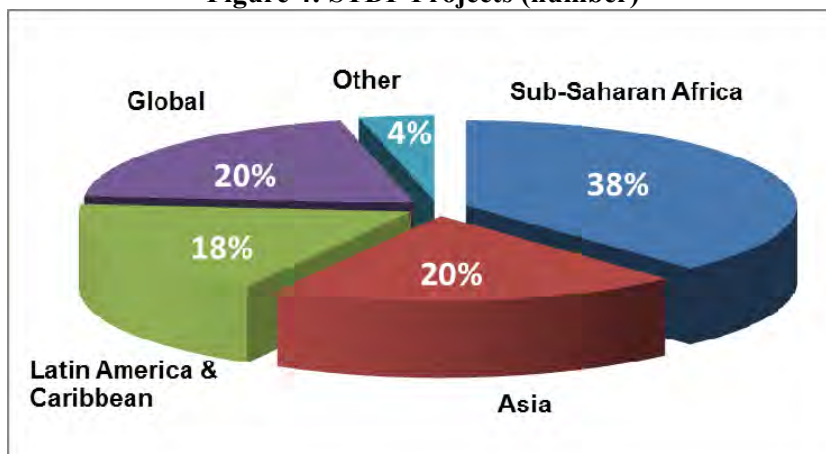
*STDF/PPG/343: Establishment of a National Cinnamon Training Academy (NCTA) for Cinnamon Processors in Sri Lanka.* The resulting project, to be implemented by UNIDO with technical support from FAO, was approved by the Working Group in October 2011.

### **5.3 Conclusion on improved capacity of PPG beneficiaries (Output 4)**

58. The STDF met its target of funding at least six PPGs. However, project development and resource mobilization is relatively time-consuming and labour intensive and STDF's role in this regard should be considered in light of future staffing projections of the Secretariat. An increasing role of STDF partners could be envisaged, notably from a technical perspective, and of donors, in terms of funding projects developed by the STDF. It is hoped that the long negotiations between EIF, FAO and UNOPS on project STDF/PG/329 (Nepal) will facilitate the implementation of any future EIF-funded projects by FAO.

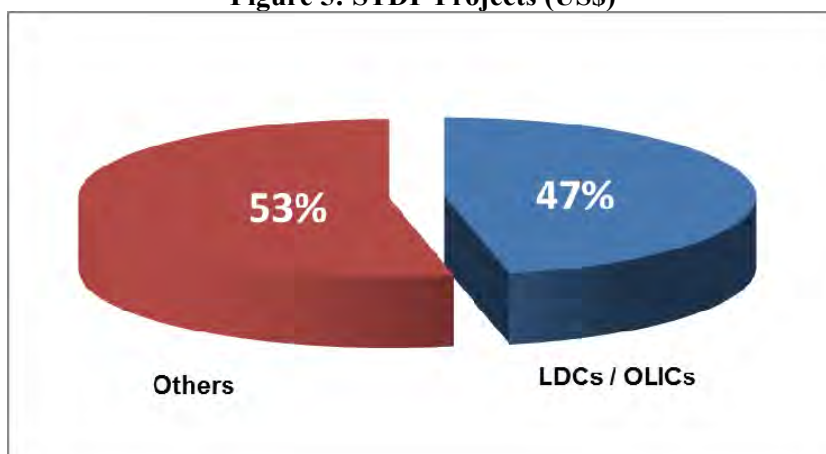
## **6. IMPROVED CAPACITY OF STDF PROJECT BENEFICIARIES (OUTPUT 5)**

59. In addition to its coordination and project development work, the STDF provides limited funding for SPS-related projects that help developing countries in improving their food safety, animal and plant health situation, and in gaining and maintaining access to markets. Since its inception, the STDF has approved a total of 55 projects for funding. Figure 4 below indicates that 38 per cent of those projects have been awarded to Sub-Saharan Africa, 20 per cent to Asia and 18 per cent to Latin America and the Caribbean. In addition, 20 per cent of projects can be classified as global.

**Figure 4: STDF Projects (number)**

60. By the end of 2011, 32 projects were completed, 14 projects were ongoing and nine projects were awaiting contracting.

61. Figure 5 below indicates that since its inception the STDF has dedicated 47 per cent of its resources available for projects to LDCs and OLICs. Taking also into consideration Figure 3 above, since its inception the STDF has consistently met its target to devote at least 40 per cent of its project and PPG resources to LDCs and OLICs.

**Figure 5: STDF Projects (US\$)**

### 6.1 Formulation and Review of Projects

62. The Working Group approved eight projects for funding, totalling US\$4,104,080 (see Table 3). Hence, the STDF met its target of funding at least six projects (with an average budget of US\$400,000), as outlined in the STDF Operating Plan 2011. However, several projects still needed to be contracted by the end of the year. In total, 20 applications for project funding were received. Of these, 13 applications were considered by the Working Group.<sup>16</sup> Belize submitted an application to implement the MCDA methodology under a PPG, which the Working Group turned into a project (STDF/PG/350), in view of the nature of the work to be carried out and the expected outputs.

<sup>16</sup> The following applications for project funding were considered by the STDF Working Group in 2011: STDF/PG/303, STDF/PG/320, STDF/PG/321, STDF/PG/328, STDF/PG/329, STDF/PG/333, STDF/PG/335, STDF/PG/336, STDF/PG/337, STDF/PG/343, STDF/PG/350, STDF/PG/354 and STDF/PG/358.

**Table 3: Projects approved in 2011**

Project Number and Title	Beneficiary	LDC / OLIC	STDF funding (US\$)
STDF/PG/321: Building trade capacity of small-scale shrimp and prawn farmers in Bangladesh	Bangladesh	Yes	568,750
STDF/PG/328: Beyond Compliance: Integrated Systems Approach for Pest Risk Management in Southeast Asia	Southeast Asia	Regional	600,000
STDF/PG/329: Enhancing Sanitary and Phytosanitary capacity of Nepalese ginger exports through Public Private Partnerships	Nepal	Yes	600,000
STDF/PG/336: Enhancing the control of transboundary animal diseases in Cameroon	Cameroon	No	498,330
STDF/PG/337: ASEAN Pesticide Residue Data Generation Project	ASEAN members	Regional	607,000
STDF/PG/343: Competency development scheme for the cinnamon sector in Sri Lanka	Sri Lanka	No	600,000
STDF/PG/350: Global Phytosanitary Manuals, Standard Operating Procedures and Training Kits	Côte d'Ivoire, Jamaica, Malaysia and Sudan	Global	600,000
STDF/PG/365: Application of the MCDA tool to inform SPS decision-making in Belize	Belize	No	30,000
<b>TOTAL</b>			<b>4,104,080</b>

63. Approval by the Working Group was in all instances preceded by in-depth consultations of the Secretariat with the applicants in the beneficiary countries to improve the design and quality of the proposals. These consultations were time-consuming and resource intensive.

## 6.2 Implementation of Projects

64. Four projects started implementation in 2011 (see below). These projects are implemented and/or monitored by STDF partners and/or other organizations involved in the delivery of SPS-related technical cooperation.

- STDF/PG/298: SPS capacity building in Africa to mitigate the harmful effects of pesticide residues in cocoa and to maintain market access
- STDF/PG/319: Strengthening the Food Safety Risk Assessment Unit in Colombia
- STDF/PG/326: A Southeast Asian partnership to build trade capacity for fresh and processed fruit and vegetable products
- STDF/PG/328: Beyond Compliance: Integrated Systems Approach for Pest Risk Management in Southeast Asia

65. The following eight projects were completed in 2011:

*STDF/PG/048: Improving shea and cashew nut production in Benin through the application of good agricultural practice.* This project, implemented by the Centre de Recherches Agricoles d'Agonkanmey (CRA-Agonkanmey), aimed to help operators acquire the necessary skills to implement good agricultural practices to overcome problems related to mycotoxin contamination in shea and cashew nut production in Benin. The project benefited from the expertise of various collaborators namely: the Programme Technologie Agricole et



Alimentaire/ Institut National des Recherches Agricoles du Bénin (PTAA/INRAB), the International Institute for Tropical Agriculture (IITA-Benin) and the Agence Béninoise de Normalisation (ABeNOR), as well as FAO's supervisory role.

- Outputs: During the project, over 300 farmers and other key stakeholders were trained on good production and processing practices of shea and cashew nuts and were provided with manuals and other training materials to further disseminate and share the acquired knowledge. A set of technical documents ranging from didactic manuals and posters explaining the various critical steps in production and processing to more sophisticated technical papers were elaborated as part of project outputs. In addition, the project provided a thorough analysis of the socio-economic and technological aspects of value chains for shea and cashew nuts.

*STDF/PG/062: Strengthening food safety in Cameroon.* This project, implemented by FAO, aimed to reactivate a national Codex Alimentarius and food safety Committee, through reviewing its composition and working procedures and through establishing its priority-based work plan. The project aimed also at training officials from SPS institutions and private sector operators on food safety issues (HACCP, GHP, GPP, GAP, etc.).

- Outputs: The main achievement of the project was to establish the National Codex Alimentarius and Food Safety Committee as the main counterpart for policy-making and strategy setting on food safety in Cameroon. A procedural manual was elaborated for the Committee and the members were trained on its use. In addition, the project resulted in the adoption by the Committee of a Framework Food Law and in draft regulations linked to it. Around 50 Government officials were trained on control and inspection and 150 private sector operators were trained on food safety.

*STDF/PG/116: Development and implementation of a traceability system in the livestock sector in Costa Rica.* This project, implemented by IICA, developed a sustainable traceability system in the livestock sector in Costa Rica to facilitate information management related to agricultural units and epidemiological events.

- Outputs: Through the activities of the project a traceability system for cattle was developed and implemented to track animals from the farm to the slaughterhouse. A registry of primary production, processing, transportation and distribution facilities was developed and implemented, and the rules governing the movement of cattle in Costa Rica were amended accordingly. In addition, capacities of the National Service for Animal Health (SENASA) regional offices and checkpoints were upgraded and software applications to manage the information generated throughout the entire registry system were developed. Today, any person moving animals in Costa Rica must be registered and carry the documentation declaring the origin and ownership of the animals. This information is required and collected at auctions, slaughterhouses and checkpoints.

*STDF/PG/126: Establish the Horticulture Development Council of Tanzania (HODECT).* This project, implemented by the Tanzania Horticulture Association (TAHA) and supervised by ITC, assisted HODECT in becoming a competent and efficient public-private sector body to guide the development of the horticulture sub-sector and contribute to poverty reduction and rapid economic growth.

- Outputs: The project facilitated the institutional and organizational set-up of HODECT as an independent public-private partnership entity, including a Board of Counsellors drawing representatives from key stakeholders, i.e. academia, government, farmers (commercial/non-commercial) and service providers. A HODECT National Strategy and work plan was prepared and approved. HODECT has started providing guidance and policy research to enable government and the private sector to formulate appropriate

responses in relation to standards and supply chain issues. HODECT has been endorsed as the Apex organization in which ITC and other One-UN agencies (including donors) anchor projects that link horticulture and tourism.

*STDF/PG/127: SPS information system in Benin.* This project, implemented by the Benin Chamber of Commerce and supervised by FAO, aimed to improve SPS information flows to enhance coordination and communication between public and private sectors through the creation of a coordination mechanism. In particular, the project aimed to facilitate access of private sector operators to SPS information from Benin and to SPS requirements of WAEMU countries. In doing this, the project focused on enhancing public sector capacity to effectively handle SPS information and mainly incoming notifications. In addition, the project improved country preparedness to manage SPS crises through establishing procedures for rapid alert and crisis management. The project strengthened Benin's capacity to be more active in the SPS standard-setting process through trainings and simulation workshops.

- Outputs: The project developed a model for information circulation between SPS institutions in the country. The project resulted in a draft decree for the creation of an SPS coordination mechanism. It allowed the collection of a number of SPS documents which are posted on the website [www.economiebenin.org](http://www.economiebenin.org). In addition, officials and private sector stakeholders were trained on standard setting and on retrieving SPS information.

*STDF/PG/230: Establishment of Pest Free Areas for Lethal Yellowing Disease (LYD) in Coconuts in Mozambique.* This project built capacity in Mozambique to implement ISPMs No.4, No.6 and No.8 to manage Lethal Yellowing Disease (LYD) on coconut palms, and hence contributed to market access for coconuts from the country, food security and income generation. The project was implemented by the Ministry of Agriculture and the FAO and administered through a Project Management Committee comprised of personnel from the Ministry, the Eduardo Mondlane University (EMU), the private sector, the Millennium Challenge Corporation (MCC) and the IPPC Secretariat.

- Outputs: Training was provided on pest surveillance and related ISPMs to 23 government technicians. Awareness raising materials were produced and released. A manual on the identification and management of CLYD in Mozambique was prepared, edited, produced and distributed to all provincial level technicians and other relevant stakeholders. An aerial survey, followed by a baseline ground survey, was conducted in 2010 south of River Zambezi. This was followed by a CLYD vector study, including the collection and identification of specimens, by an international expert who also provided training on CLYD vector identification to 18 technicians from all the relevant provinces.

*STDF/PG/287: Information sharing initiative on the actions to control fruit flies in Sub-Saharan Africa (SSA).* This project, implemented by the Comité de Liaison Europe-Afrique-Caraïbes-Pacifique pour la Promotion des Exportations horticoles (COLEACP) and supervised by the Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD), aimed to facilitate the publication of a newsletter on fruit fly control in Sub-Saharan Africa, which will feature ongoing initiatives and inform about technical advances in the area.

- Outputs: Eighteen newsletters (in French and English) were prepared, edited and sent by mail to over 1,300 recipients to sensitize stakeholders on the needs of African farmers and share information on the various initiatives to monitor and control fruit fly in the region. The newsletter was distributed in 60 countries. Readers based in Africa and Europe represented 57 per cent and 25 per cent respectively of the total audience reached.

*STDF/PG/313: Continuation of the West African Fruit Fly Initiative (WAFFI).* This project was the second phase of an STDF funded project, implemented, from April 2009 until March 2010, by the Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD) and supervised by the World Bank. The objective of this project was to address the fruit fly problem in West Africa by conducting pilot tests in mango orchards using different fruit fly control and other Integrated Pest Management (IPM) techniques to monitor and manage fruit fly populations in eight pilot countries (Benin, Burkina Faso, Ghana, Guinea, Ivory Coast, Mali, Senegal and The Gambia). The second phase of the project focused on regional sensitization and training. It is expected that further fruit fly project activities will be picked up and sustained within the context of the five-year Regional Action Plan to Control Fruit Fly in West Africa.

- Outputs: This project resulted in the collection of data on the fruit fly population in selected agro-ecological zones of the eight pilot countries. Testing of local multi-spot treatments using specific products in pilot orchards were undertaken, resulting in a significant reduction of fruit fly infestation. Training-of-Trainers (TOT) workshops were held involving the owners of orchards, representatives of producer associations and exporters in the identified countries, focusing on control methods for fruit fly infestation.

### **6.3 Evaluation of projects**

66. The Secretariat contracted external *ex post* evaluations of the following two projects (completed in 2009). These evaluations will be finalized in the first quarter of 2012 and discussed by the Working Group:

- STDF/PG/113: Building capacity to use the Phytosanitary Capacity Evaluation (PCE) Tool in the Pacific
- STDF/PG/145: Rwanda Horticulture Export Standards Initiative (RHESI)

67. In June 2011, the Working Group randomly selected the following two projects (completed in 2010) for external evaluation in 2011-2012:

- STDF/PG/134: Capacity building to improve fish trade performance of selected West African countries
- STDF/PG/234: Development of an SPS Action Plan for Cambodia

### **6.4 Conclusion on Improved capacity of STDF project beneficiaries (output 5)**

68. The STDF met its target in terms of project funding and the six completed projects showed good results. Demands on the Secretariat in terms of its review of many (potential) applications, but also in relation to the implementation and evaluation of STDF-funded projects, continued to increase and resulted in less time available for coordination work. In the context of STDF strategy development (see Chapter 7 below) consideration was given to the resources and work load of the Secretariat in that STDF's annual target number of projects could be reduced. As mentioned above, it is necessary to make further improvements in communicating the objectives and results of STDF projects, for instance through the development of project fact sheets and webpages.

## **7. NEW MEDIUM TERM STRATEGY, WORK PLAN AND OPERATIONAL RULES**

69. This report covers the fifth and final year of STDF's Medium Term strategy (2007-2011). In 2011, the STDF worked towards the development of new five-year strategy, a process that was initiated by the STDF Policy Committee in December 2010. On the margins of the regular Working Group meetings in March, June and October, additional meetings were held to prepare the new

strategy and STDF work plan for 2012, and discuss adjustments to be made to the STDF Operational Rules to facilitate the operation of the STDF.

70. The new STDF Medium Term Strategy (2012-2016) was adopted by the Policy Committee on 10 January 2012.<sup>17</sup> It builds on: (i) extensive consultations with members and other stakeholders involved in SPS-related technical cooperation, including through an initial survey carried out by the Secretariat in February; (ii) the results of the previous strategy, which was successful in putting greater emphasis on information sharing and coordination of SPS-related technical co-operation; and (iii) conclusions and recommendations of external evaluations of the Facility in 2005 and 2008. The Policy Committee also agreed that a mid-term review of the STDF should take place in 2013, including a review of STDF funding and staffing levels. A more complete evaluation should take place towards the end of 2015.

71. The new strategy is underpinned by the need to: (i) further promote increased collaboration and interaction among providers of SPS-related technical cooperation; and (ii) continue strengthening the STDF as a "knowledge platform" for information exchange, sharing experiences and the identification and dissemination of good practice. The overall goal, purpose and strategic results of the STDF are summarized in a logical framework, annexed to the new strategy. These results will be pursued in a mutually reinforcing manner, recognizing that more effective coordination among providers of SPS-related technical cooperation is the "raison d'être" of the STDF. The specific activities to be carried out by the STDF under each of the strategic result areas are further described in STDF's Work Plan for 2012, which was agreed in principle by the Working Group in October 2011 and finalized by the Secretariat in January 2012.

72. Finally, the Policy Committee agreed to a number of revisions to the Operational Rules in order to address issues raised by respondents to the survey and make the rules up-to-date, coherent and consistent with the new strategy. In particular, the following revisions should be noted:

- PPGs can be used for the following purposes (or a combination thereof): (i) application of SPS-related capacity evaluation/prioritization tools; (ii) preparation of feasibility studies to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and (iii) development of project proposals. The maximum amount of funding available for PPGs was raised to US\$50,000 per PPG (from US\$30,000).
- The maximum amount of STDF funding available for projects was raised to US\$1 million per project (from US\$600,000), over a three-year period (previously two years).
- The number of developing country experts in the STDF was raised from three to six (with a two-year term, instead of 18 months). At least two experts should be nationals of a least-developed country (LDC) or other low-income country.
- Implementation of STDF-funded projects can be undertaken by applicants demonstrating capability, by STDF partners or third parties acceptable to the Working Group. If STDF partners are not directly responsible for the implementation of projects, their involvement could be important in terms technical advice and guidance.

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<sup>17</sup> The Policy Committee meeting was originally scheduled on 9 December 2011 but later postponed to 10 January 2012 due to unforeseen circumstances. Donors at the meeting were represented by the European Union, Norway and the United States.

## 8. OPERATION OF THE FACILITY

73. Two important changes occurred in the staffing of the STDF Secretariat in 2011. In June, Ms Kenza Le Mentec, following an external recruitment process, was selected to fill the post of Economic Affairs Officer (Grade 8), available after the departure of Mr Panos Antonakakis in 2010. In September, following an internal recruitment procedure, Mr Pablo Jenkins was selected to fill the post of Economic Affairs Officer (Grade 7), left by Ms Le Mentec. Ms Anneke Hamilton continued to work for the Secretariat on an interim basis, until the month of June. The Secretariat made every effort to minimize the effects of this staff turnover on the implementation of the 2011 STDF Operating Plan

74. The Operating Plan set an annual target level of funding of US\$5 million. A total of US\$6,265,333 was received in donor funding in 2011. In addition to contributions received from Canada, the European Union, and Sweden under multi-annual agreements, contributions were also received from Denmark, Finland, Germany, Ireland, Japan, Norway, Switzerland, Chinese Taipei and the United States (see Table 4). Hence, 2011 was a successful year, in part due to two large contributions received from Canada and Sweden.

**Table 4: Contributions received in 2011**

<b>Donor</b>	<b>Amount in CHF</b>
Canada	1,888,552
Denmark	331,230
European Union	399,511
Finland	491,200
Germany	183,300
Ireland	148,250
Japan	187,398
Norway	237,624
Sweden	1,008,210
Switzerland	500,000
Chinese Taipei	73,680
United States	89,600
<b>Total</b>	<b>5,538,554</b>
<b>Total in US\$</b>	<b>6,265,333</b>

75. Annex 1 provides an overview of STDF's operating expenditures in 2011 amounting to US\$2,138,415. This amount is low compared to the estimated budget in the Operating Plan. This is mainly due to several pending commitments amounting to US\$5,063,629 by the end of 2011, i.e. projects and PPGs approved by the Working Group but not yet contracted (see Annex 2). In addition, the Working Group decided not to pursue planned events in 2011 on international trade and invasive alien species (to be held in 2012) and on SPS indicators (postponed to a later date in consultation with STDF partners). Annex 3 corresponds to the final balance of the year indicating a surplus of US\$3,243,076.

76. In conclusion, sufficient funding was available in the STDF Trust Fund to implement the activities in the 2011 Operating Plan. However, additional funding will be needed to implement the new strategy and, more specifically, STDF work plans for 2012 and for following years.

**Annex 1: STDF Operating Expenditures**

Description	STDF Ref.	Budget Estimate	Actual	Actual
		US\$	CHF	US\$ @ 0.88
<b>Technical missions and meetings</b>				
17 Technical missions		132,000	78,034	88,273
3 WG meetings		72,000	52,542	59,436
<b>Total</b>		<b>204,000</b>	<b>130,575</b>	<b>147,710</b>
<b>Coordination activities</b>				
Global-level seminar tbd		150,000	0	0
Pilot work on ec. analysis	STDF/CO/291	370,000	49,939	56,492
Pilot work on SPS indicators	STDF/CO/293	100,000	0	0
Studies/research & others		75,000	11,811	13,361
STDF website / Virtual Library		75,000	44,045	49,824
<b>Total</b>		<b>770,000</b>	<b>105,794</b>	<b>119,677</b>
<b>Project Development</b>				
PPG	Financial adjustment (Previously contracted PPGs)		-11,293	-12,775
PPG	STDF/PPG/335		28,260	31,968
PPG	STDF/PPG/329		21,949	24,829
PPG	STDF/PPG/323		27,900	31,561
PPG	STDF/PPG/343		25,710	29,084
PPG	STDF/PPG/308		25,710	29,084
PPG	STDF/PPG/344		24,990	28,269
PPG	STDF/PPG/345		26,880	30,407
PPG	STDF/PPG/359		25,658	29,024
<b>Total</b>		<b>198,000</b>	<b>195,764</b>	<b>221,453</b>
<b>Project Funding</b>				
Project	Financial adjustment (Previously contracted projects)		-313,011	-354,085
Project	STDF/PG/319		378,213	427,843
Project	STDF/PG/328		499,800	565,385
Project	STDF/PG/365		27,630	31,256
<b>Total</b>		<b>2,400,000</b>	<b>592,632</b>	<b>670,398</b>
<b>Project Ex-post Evaluations</b>				
Ex-post evaluation PG/145	STDF/EV/145		8,960	10,136
Ex-post evaluation PG/133	STDF/EV/133		8,620	9,751
<b>Total</b>		<b>50,000</b>	<b>17,580</b>	<b>19,887</b>
<b>Operating Expenses</b>				
STDF staff expenditures		750,000	753,854	852,776
Miscellaneous		10,000	24,840	28,100
<b>Total</b>		<b>760,000</b>	<b>778,694</b>	<b>880,875</b>
<b>Sub-total</b>		<b>4,382,000</b>	<b>1,821,039</b>	<b>1,892,403</b>
Overheads		569,660	236,735	246,012
<b>GRAND TOTAL</b>		<b>4,951,660</b>	<b>2,057,774</b>	<b>2,138,415</b>

**Annex 2: Pending Commitments**

Description		Approval Date	Amount in US\$
<b>Project Preparation Grants</b>			
STDF/PPG/346	COMESA	Jun-11	90,000
<b>Project Grants</b>			
STDF/PG/302	Senegal	Mar-10	612,708
STDF/PG/309	Guinea Bissau	Oct-10	274,300
STDF/PG/321	Bangladesh	Jun-11	568,750
STDF/PG/329	Nepal	Jun-11	600,000
STDF/PG/336	Cameroon	Jun-11	498,330
STDF/PG/337	ASEAN	Oct-11	607,000
STDF/PG/343	Sri Lanka	Oct-11	630,000
STDF/PG/350	Phytosanitary Manuals	Mar-11	600,000
<b>Total</b>			<b>4,481,088</b>
Overhead fees (13%)			582,541
<b>GRAND TOTAL</b>			<b>5,063,629</b>
<b>GRAND TOTAL in CHF</b>			<b>4,476,248</b>

**Annex 3: Final Balance**

Description	Amount in CHF
Opening Balance as at 1 January 2011	3,843,391
Contributions Current Year	5,538,554
Interest on Investments	18,957
<b>TOTAL FUNDS</b>	<b>9,400,902</b>
<b>TOTAL EXPENDITURES</b>	<b>2,057,774</b>
<b>BALANCE IN FAVOUR OF DONORS</b>	<b>7,343,128</b>
Pending commitments	4,476,248
<b>FINAL BALANCE</b>	<b>2,866,880</b>
<b>FINAL BALANCE in US\$</b>	<b>3,243,076</b>





The Standards and Trade Development Facility (STDF) is a global partnership that supports developing countries in building their capacity to implement international sanitary and phytosanitary (SPS) standards, guidelines and recommendations as a means to improve their human, animal and plant health status and ability to gain or maintain access to markets. It was established by the Food and Agriculture Organization of the United Nations (FAO), the World Organisation for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the World Trade Organization (WTO).  
More information is available at: [www.standardsfacility.org](http://www.standardsfacility.org)