Standards and Trade Development Facility

STDF 76 add.1

REVIEW OF THE STDF

Report

1 December 2005

CONSULTING

Triple Line Consulting ltd
1 Princeton Court
55 Felsham Rd
LONDON SW15 1AZ
Tel: 44-208-788-4666
Fax: 44-208-788-5777
www.tripleline.com
3L@tripleline.com

Glossary of Acronyms-

DGF	Development Grant Facility (World Bank)
DTIS	Diagnostic Trade Integration Study(IF)
FAO	Food and Agriculture Organisation EUREP
GEF	Global Environment Facility
IF	Integrated Framework
JITAP	Joint Integrated Technical Assistance Programme
LDC	Least Developed Countries
OIE	Office International des Epizooties
OLIC	Other Low Income Countries
PPG	Project Preparation Grant
SAARC	South Asian Association for Regional Co-operation
SPS	Sanitary and Phytosanitary
SSO	Standard Setting Organisations
STDF	Standards and Trade Development Facility
WHO	World Health Organisation
WTO	World Trade Organisation

TABLE OF CONTENTS

Executive Summary

i   Triple Line Consulting ltd was contracted to undertake "a review of the STDF from its inception in 2002 until September 2005 and "*to review the administration of the STDF and to make recommendations on such actions as may be necessary to ensure the smooth functioning of the facility in the future*".

ii   The Terms of Reference sets out 4 key activities for the consultant to assess: (i) The STDF's ability to attract resources; (ii) the capacity to utilise resources; (iii) the contribution towards capacity building, and (iv) the Management of the STDF.

iii   The STDF was established with financing from the World Bank's Development Grant Facility (DGF) in July 2002 with funding of US$300,000 per annum over a 3-year period to June 2005. The purpose of the grant was to provide seed funding for the establishment of the STDF and to build a multi-donor trust fund with the WTO as the executing agency. The STDF was formally launched on 27 September 2002.

iv   In November 2003 the STDF working group commissioned a business plan to clarify the objectives, eligibility criteria and organisational structure of the Facility. The plan defined the STDF as providing grants of up to $20,000 for *project preparation (PPG)*; (ii) *projects* under Theme 1 (identification) & 3 (dissemination) $150-$400,000 and (iii) Theme 2 (capacity building) $300-$600,000. The plan also defined the administrative and cost sharing provisions and the fiduciary responsibilities.

Ability to Attract Resources

v   The overriding conclusion is that the STDF is well on the road to achieving the objectives set out in the December 2002 policy document and refined in the business plan. The Facility has built on the foundation established with DGF financing from the World Bank and has succeeded in stimulating considerable donor interest as well as attracting projects from a range of beneficiaries.

vi   The Business Plan, finalised in September 2004, proved the turning point in the STDF's evolution. Following adoption of this document, the Facility has grown from a cumulative total of $US1.4mn (constituted principally by DGF and WTO contributions) to $US5.3mn by September 2005. This exceeds the median target set in the business plan. The target of establishing a multi-donor trust fund with DGF assistance has been achieved.

Ability to Utilise Resources

vii   By September 2005, the STDF had approved 19 PPGs (value-US$410,000) and 15 projects (US$ 3.8mn). The STDF has succeeded in attracting an increasing number of projects for funding and is thus able to be more selective. The number of applications increased fourfold in 2005 compared to 2003 and the ratio of the number of project applications to projects approved for funding increased to 3:1 in 2005.

viii   The STDF also succeeded in meeting the objectives of complimentarity and support to Less Developed Countries and Other Low Income Countries (OLICs): 11 of the 19 PPGs have been linked to the Integrated Framework; over two-thirds of the projects have been in LDCs or OLICs, exceeding the 40% target of the business plan.

ix   The Working Group has proven an effective forum for consensus building amongst the partners and has already contributed to some knowledge capture and information sharing. This consensus building was a pre-condition for the success of the STDF and, once achieved, the role of the Working Group in the process of project selection followed very

---

effectively. But the Working Group's ability to cope with an increasing volume of applications is placing the effectiveness of the Group under strain. This could be relieved by a more critical first screening of projects received.

Contribution to Capacity Building of Partners

x   The STDF has been a learning experience for the partners in terms of building an understanding and trust of the respective roles and skills within the standards setting organisations, development partners and aid donors. The challenge for the Working Group is to become more of a forum to share strategic issues and lessons learnt from projects.

Management of the STDF

xi   The STDF Secretariat undertakes a very wide range of roles including: public relations, project screening, project management, and responsibility for the financial management of the STDF. The secretariat's staff resources are spread thinly and there are a number of key issues, roles and responsibilities that need to be defined urgently.

Key Issues, Conclusions and Recommendations

xii   It is too early to judge the effectiveness of the results of the STDF. The issue of whether the projects as designed have contributed to the original intentions of the STDF has not been analysed as part of this evaluation – no projects have yet reached their end. However it can be noted from the profile of the projects selected that the facility has succeeded in securing a significant number of relevant SPS projects, particularly in LDCs.

xiii   As a clearly targeted initiative, the STDF has a number of unique selling points: the technical expertise of the partners; its proactive project development; and its coverage, in particular for the poorest countries. The STDF has been successful and it is now at a key turning point. It needs to define the future direction as it develops into a mature Facility.

xiv   The key issues that now need to be resolved include:

- Implementation modalities of the STDF and the creation of a project management unit;

- Project cycle management, lesson learning and knowledge capture;

- Enhancing co-operation/ complementarity with other programmes, especially the IF;

- Moving from a collection of projects to a programme.

xv   To address these issues, the consultants recommend that the STDF needs to:

- Establish a distinct Programme Management Unit to manage project cycle management functions (see 3.2). This PMU could be: (i) hosted by the WTO; (ii) hosted by a partner organization, or (iii) contracted out to a third party.

- Provide additional resources to strengthen core Secretariat functions.

- Consider how some of the current Secretariat functions could be supported, taken on by project partners or contracted out.

- Establish clear monitoring and evaluation procedures to facilitate lesson learning from project activities.

- Build on the coherence of the STDF with other capacity building initiatives, especially under the Aid for Trade Initiatives of the IF, notably with respect to implementation modalities.

1   Introduction

1.   Triple Line Consulting ltd was contracted in August to undertake (see ToR Annex 1) *"a review of the STDF from its inception in 2002 until September 2005 and "to review the administration of the STDF and to make recommendations on such actions as may be necessary to ensure the smooth functioning of the facility in the future"*.

2.   The consultant has undertaken the assignment in the following steps:
   ▪ Document review (see Annex 5)
   ▪ Attendance at the STDF Policy Committee and Working Group Meetings on 6-7 September.
   ▪ Stakeholder consultations with STDF partners, donors and interlocutors from other facilities.

3.   This evaluation has not examined STDF project activities in detail. Rather the analysis has focused on gauging the partner and donors' assessment of the principles, management operations and procedures of the STDF, with a view to identifying the key issues for the future operation of the Facility.

4.   The key purpose of the evaluation is to assess whether the Development Grant Facility (DGF) seed funding has succeeded in creating a multi-annual, multi-donor trust fund supporting SPS capacity building.

2   Background and Operations of STDF

2.1   Origins and Chronology

5.   The Agreement on the Application of Sanitary and Phytosanitary Measures (the "SPS Agreement") entered into force with the establishment of the World Trade Organization on 1 January 1995. The SPS Agreement covers all measures whose purpose is to protect:
   • human or animal health from food-borne risks;
   • human health from animal- or plant-carried diseases; and
   • animals and plants from pests or diseases.

6.   The SPS Agreement encourages governments to "harmonize" or base their national measures on international standards, guidelines and recommendations. The Agreement explicitly recognises three organizations for this purpose. For food safety the reference organization is the joint FAO/WHO Codex Alimentarius Commission (Codex); for animal health, it is the World Organization for Animal Health (OIE); and for plant health, the FAO International Plant Protection Convention (IPPC).

7.   The STDF grew out of the WTO Ministerial meeting at the fourth Ministerial conference in Doha on 11 November 2001. A communiqué was released by the Executive Heads of the FAO, OIE, World Bank, WHO and the WTO which expressed a commitment to work together in building alliances between the

standard setting bodies to assist developing countries to establish and implement Sanitary and Phytosanitary (SPS) standards[1].

8. Co-operation between the partners pre-dates the 2001 communiqué. Entry into force of the SPS Agreement in 1995 necessitated close co-operation between the WTO and all three Standard Setting Organisations (SSO): OIE, IPPC and Codex (as well as with the IPPC and Codex's host/parent organisations - WHO and FAO). This cooperation was primarily of an operational character, relating to trade issues arising in the SPS committee or from the standards work of OIE, IPPC or Codex. Collaboration in the area of technical co-operation was mostly limited to the organisation of joint regional workshops and participation in other joint events.

9. The STDF was established with financing from the World Bank's Development Grant Facility (DGF) in July 2002 with funding of US$300,000 per annum over a 3-year period to June 2005. The purpose of the grant was to provide seed funding for the establishment of the STDF and to build a multi-donor trust fund. The WTO agreed to act as the executing agency and the STDF was formally launched on 27 September 2002 at the annual meeting of the World Bank and IMF.

10. The partners produced a concept note in December 2002 which set out the key objectives of the STDF. To assist in the practical establishment of the STDF, a consultant, Mr Digby Gascoine, was contracted in early 2003. After consulting partner organisations, Mr Gascoine presented proposals to the May 2003 STDF Working Group on application procedures for funding, establishing a facility website, the arrangements between partners and ideas for first projects. To get a pipeline of projects underway, it was agreed that the partners would present projects for consideration and the STDF would also launch project preparation grants(PPG).

11. Discussions on the fiduciary arrangements for the STDF continued at the November 2003 Working Group based on a document prepared by the WTO Secretariat, providing examples from other trust funds. However at the November meeting it was agreed that a more systematic and comprehensive approach to the Facility's functional arrangements was needed and it was agreed that a business plan should be drafted. The business plan was agreed by the partners at Policy Committee level in September 2004 and this proved also to be a key turning point in securing funds from donors (see below). The plan also presented a clear statement of the STDF purpose:

> *to assist developing countries enhance their expertise and capacity to analyze and to implement international sanitary and phytosanitary (SPS) standards, improving their human, animal and plant health situation, and thus ability to gain and maintain market access.*

---

[1] The report uses the term "standards" as short hand to refer to both technical regulations (i.e. mandatory requirements) and standards (i.e. voluntary national requirements and recommendations from international organisations).

2.2 STDF- Key Features

12. On the basis of the data collected on the STDF technical assistance database and research conducted by the World Bank[2], there is estimated to be over $US70mn per annum of donor funded technical assistance in SPS and related activities. According to the World Bank's analysis most SPS capacity building is reactive to specific trade problems which have manifested themselves in relation to certain product groups. As a relatively small player the STDF is designed to be strategic and provide catalytic interventions which may leverage other donor activity. Thus as stated in the business plan:

> *The STDF is designed to complement the current and expected future assistance efforts by bilateral agencies, to draw upon and apply important implementation lessons from recent assistance efforts in this field, and to achieve additional improvements in the quality of assistance work through deeper collaboration among major multilateral agencies working in this field.*

13. The key features of the STDF are follows :

- ▪ **Eligible organisations** can be: (i) public sector entities (national or regional) with responsibility for SPS; (ii) private sector entities or partnerships; (iii) STDF partners; (iv) non-profit, non-governmental organisations with expertise in SPS area. The STDF is open to all of the above organisations and the principle of demand driven project selection applies.

- ▪ It provides: (i) grants of up to $20,000 for **project preparation** to bridge the gap between the identification of needs and their articulation; (ii) **projects** under Theme 1[3] (identification) & 3 (dissemination) normally between $150-$400,000 in size and Theme 2 (capacity building) between $300-$600,000**.**

- ▪ Projects are normally subject to a 10% **cost share** for regional projects or projects in LDCs or OLICs[4] and 25% in other developing countries.

- ▪ At least 40% of the facility resources should benefit projects in LDCs or OLICs.

- ▪ Projects are screened by the Working Group in the following order: (i) project preparation grants; (ii) proposals from LDCs; (iii) proposals from partners and (iv) proposals from non-LDCs.

- ▪ If the number of projects approved exceeds the Facility resources, the Working Group decides on the projects to be funded on the basis of quality, replicability and probable impact.[5]

---

[2] World Bank. Food Safety and Agricultural Health Standards: Challenges and Opportunities for Developing Countries. January 2005
[3] See Annex 2 for the criteria
[4] The STDF recognizes as least-developed countries (LDCs) those countries which have been designated as such by the United Nations. There are currently 49 least-developed countries on the UN list: See Annex 2. The STDF also recognises as Other Low Income Countries those 20 countries which have been designated as such by the United Nations.(see Annex 2).

2.3   Management and Organisation of STDF

14. The business plan sets out the organisational structure of the STDF which essentially consists of three bodies:

   - *Policy Committee*: High level representatives of the 5 partners and other stakeholders and responsible for the oversight activities of the Working Group and the overall governance of the STDF.

   - *Working Group*: Representatives of the partner organisations, standard setting organisations and responsible for approving the work programme, approval of grants, oversight of the Secretariat and appointment of committees for special tasks.

   - *Secretariat*: Administrative responsibility of the STDF, assisting partners in project identification, call for proposals, preparation and preliminary review/screening of projects and assuming the financial and administrative tasks needed to administer STDF funding within the legal and fiduciary rules of the WTO.

15. The key operational principles set out in the business plan can be summarised as follows:

   - Decisions are made on the basis of *consensus*;

   - All projects are designated by the Working Group to one or **more implementing agencies** who are solely responsible for the overall supervision and implementation of the project.

   - *Implementing Agencies* can be one of the 5 STDF partners, a non-partner agencies or an eligible beneficiary organization.

   - An administrative overhead of 13% is levied on all projects. With partner agencies[6] this overhead is split 5% for the Secretariat and the balance of 8% to the implementing agency. With non partner agencies, either the full 13% is retained by the Secretariat or the same 8%-5% split is applied.

   - Proposals from partners should be subject to *independent review.*

   - All projects should be monitored by the *implementing agency* to ensure consistency of objectives and quality control.

   - The STDF Secretariat is responsible for: (i) supporting project identification; (ii) screening and reviewing proposals; (iii) contracting; (iv) reporting to the Working Group and Policy Committee.

---

[5] Since the STDF is in a start-up phase, the Working Group has in practice approved projects exceeding Facility resources in the expectation of receiving donor funds. As the Facility matures this criterion is likely to become more important.

[6] With the exception of the WHO which has not yet agreed on the overhead sharing arrangement. FAO has accepted this breakdown as an interim arrangement.

▪ All Theme 2 projects are subject to an independent ex-post evaluation; and this also applies to projects of more than US$200,000) under Themes 1 & 3.

3 Analysis of the STDF

3.1 Assessment of the STDF's Ability to Attract Resources

16. The STDF has been very successful in securing donor funds and moving from a mere concept to the implementation of projects in under two years. In the context of a multi-partner, multi-donor trust fund, the time elapsed has been short from the germination of the concept of the STDF, through the commitment of the World Bank's Development Grant Facility (DGF) in July 2002, to its realisation and the commitment of projects. By way of comparison, the multi-donor Global Environment Facility (GEF) took over three years to get going and similar delays have occurred for other multi-donor project facilities.
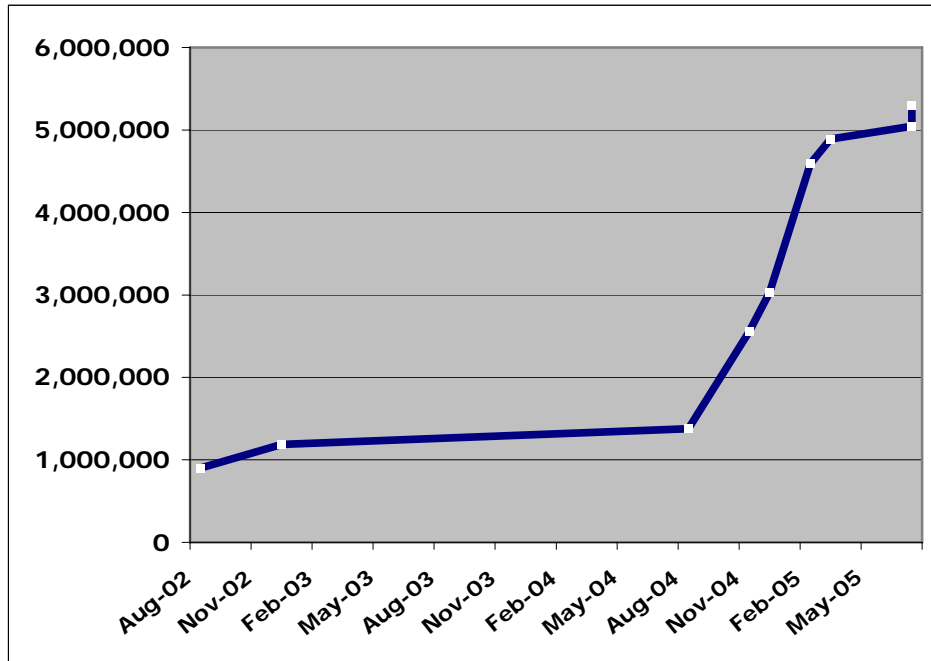
17. This chronology is shown in Table 1.

Table 1: STDF Chronology and Milestones

Date	Milestone	Cumulative Months
June 2001	Bilateral discussions initiated by World Bank and other partners	-14
November 2001	Doha Declaration by 5 partners	-10
June 2002	DGF Fund provided by WB	-2
August 2002	*WTO agrees to host STDF Secretariat*	*0*
September 2002	Launch of the STDF at the Annual World Bank/IMF meeting	1
December 2002	STDF Concept Note agreed between the partners	5
June 2003	Development of STDF website, preparation of pilot projects, preparation of a database on SPS Technical Assistance.	14
November 2003	Agreement to develop a Business Plan	15
September 2004	Business Plan Adopted	25
September 2005	Funds raised $5.3mn	37
September 2005	Total of 15 projects committed(US$3.8mn) ; 19 PPG(US$410,000)	37

18. The business plan was agreed in September 2004 and this proved also to be a key turning point in securing funds from donors. In the relatively short period (12 months) since the finalisation of the business plan in September 2004 the cumulative size of the Trust Fund has grown from approximately $US 1.4mn to over $US5.3mn as set out in Figure 1. Note that the data shown in Figure 1 and in Annex 3 relates to <u>total</u> donor commitments, including the pledged amounts in instalments in <u>future </u>years. A detailed breakdown of STDF accounts can be found in Annex 3.

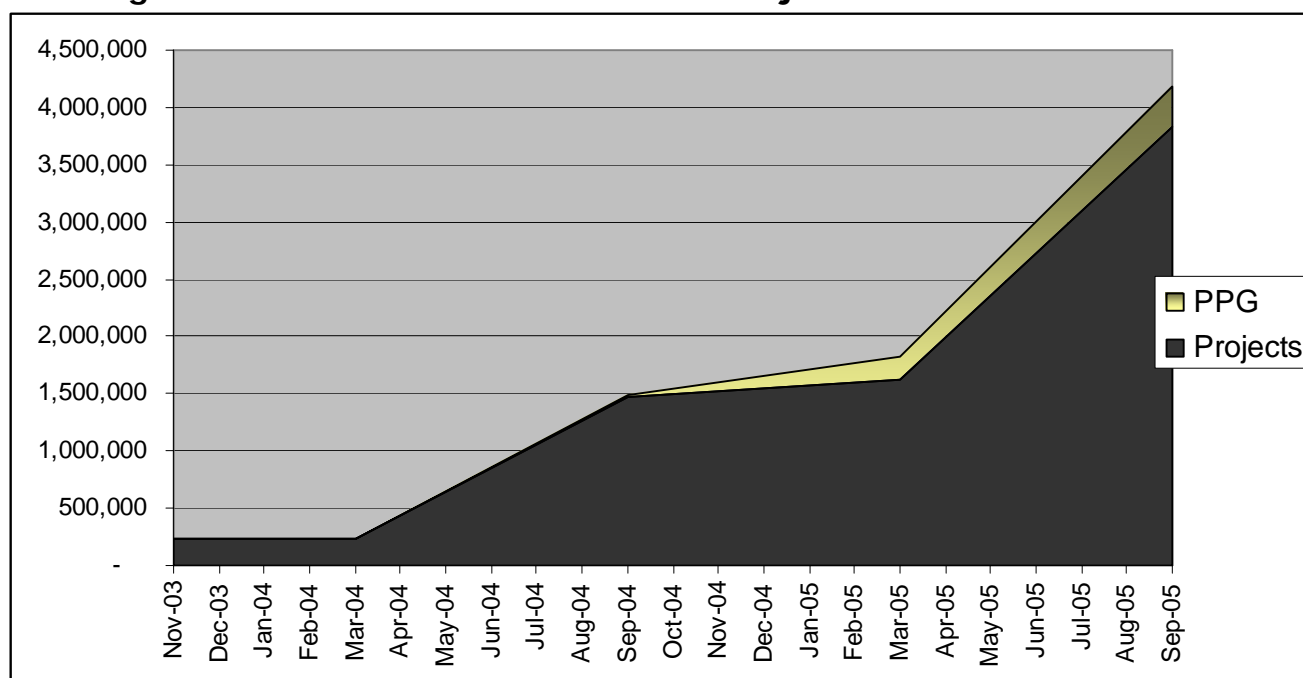**Figure 1: Cumulative Commitments by donors to STDF $US**

19. The business plan demonstrated to donors that the partners had reached a common approach to relating SPS protection and implementation to the process of economic development and poverty alleviation. This mixture of multilateral co-ordination, technical expertise through SPS reference organisations and focus on trade and poverty alleviation has proven an attractive concept to donors.

20. While STDF should continue to attract resources and has a high degree of relevance to the debate on supporting an improvement to SPS implementation and trade enabling measures as a cross-cutting approach, the ability to attract donor funds in the future will become more dependent on the demonstrated results from this start-up-phase. Donors will play increasing attention to assessing the extent to which the STDF is managing its portfolio of projects and converting a series of catalytic interventions into a coherent programme.

21. The business plan does not define the time horizon for the STDF and whilst it is accepted that the role of the facility is not short term, donors may seek to develop an understanding of the overall lifecycle of the STDF and how project actions become sustainable in the long term. In the short term, this could be achieved by multi-year planning. Multi-year planning might also help the Secretariat define clear objectives and goals for the operation of the Facility.

3.2 Capacity of the STDF to Utilise Resources

22. Table 2 shows a summary of the total number of projects and project preparation grants funded since 2003. Table 3 sets out the total value of projects per year. Cumulative project commitments are shown in Figure 2 from November 2003 to the latest Working Group meeting of September 2005.

Table 4 sets out the profiles of the projects approved and the number of projects by date of approval.

Figure 2 : Cumulative Commitments - Project Grants and PPGS

Table 2: Analysis of Project Applications

	PPGs	Projects	Total	LDCs/OLICS	DCs	Mixed /Na*	PPGs % Accept	Projects % Accept
2003								
Applications	3	10	13	5	1	4		
Funded	3	7	10	4	0	6	100	70
2004								
Applications	3	7	10	4	4	2		
Funded	2	2	4	3	1	0	66	28
2005								
Applications	24	19	43	33	6	4		
Funded	14	6	20	17		3	58	32
	PPGs	Projects	Total					
Applications	30	36	66	42	11	10		
Funded	19	15	34	24	1	9		
% Acceptance	63	42	51	57	9	90		

*regional project involving a combination of Developing and Less Developed countries or have 'global' features (e.g. database/portal type projects)

23. The following observations can be drawn from this profile:

- The STDF has succeeded in attracting an increasing number of applications, with a four fold increase in 2005 compared to 2003.

- The vast majority of projects are from least-developed (LDCs) or other low-income countries (OLICs) - over **two-thirds** of applicants and funded projects are from LDCs or OLICs and a number of the mixed/global projects have LDCs or OLICs as the main target.

- The Facility has thus been successful in meeting its target of devoting 40% of Facility resources to LDCs or OLICs. Important to this achievement has been the cultivation of strong linkages with the Integrated Framework programme.

- To date, 11 of the 19 PPGs have been approved in IF countries.[7] Of the projects approved, two will specifically benefit IF countries.

- As a result of this increase in the number of applications the STDF is becoming more selective in the type of projects approved.

- The main features of the projects rejected are:
    - Ineligible under the STDF criteria (not an SPS issue);
    - More suited to funding by another donor/facility;
    - More of research type activity and thus lacking any trade link;
    - Weak articulation of needs.

Table 3: Project Approvals Summary

	Project Preparation Grants		Projects		*Total Value*
Approval Date	No	Value $'000	No	Value $'000	Value $'000
2003	3	60.0	4	240.7	*240.7*
Sept 2004	1	20.0	5	1,229.7	*1,249.7*
Mar 2005	9	180.0	1	150.0	*330.0*
Sept 2005	6	150.0	5	2,207.7	*2,357.7*
	19	410.0	15	3,828.1	*4,778.1*

(i) Building a portfolio of projects

24. Table 4 shows that the STDF has built up a range of projects mainly in LDCs or OLICs with the majority of projects in capacity building. While there are few results to date, the STDF is gradually building a portfolio of projects and to some extent these projects should be regarded as 'pilot' actions for refining the criteria for the next stage of the STDF.

(ii) Consensus Building amongst Partners

25. In terms of attracting donor interest, the STDF had to prove that it was capable of building consensus and trust between the partners. This has been achieved, but in the beginning the consensus building in this new area of co-operation needed to overcome tensions arising from the overlap in the respective roles and responsibilities amongst the STDF partners, for example, in animal health.

---

[7] Of these 10 PPGs, four were approved in September 2005 and three are awaiting implementation.

26. Consensus building amongst the partners is one of the STDF's key strengths and has already contributed to some knowledge capture and information sharing. In one sense this consensus building was a pre-condition for the success of the STDF and, once achieved, the role of the Working Group in the process of project selection followed naturally.

27. Similarly on the demand side, in the early period, the STDF was seeking to secure a profile as a source of funding for capacity building in SPS and attract proposals from a wide range of public and private beneficiaries. This objective has been achieved. But now that both of these objectives have been achieved and there is a critical mass of interest in the STDF, greater challenges lie ahead in how to manage resources in the most effective manner.

Table 4: Project and Project Preparation Grants Approved

No	Country	Partner/EA	Title	Theme	Date Approved	Start Date	Comp Date	Budget (US$)
			Projects					
5	Global	WTO	STDF Database	3	Jan-03	Oct-03	Dec 05	73,474
9	Global	FAO	Model Programme for Food Standards within Risk Analysis	2	Nov-03	July-05	Apr 06	70,848
10	Uganda/ Turkey	FAO	International Portal on Food Safety, Animal and Plant Health project	3	Nov-03	Jun-04	Apr 06	59,400
14	Africa	OIE	Veterinary Capacity Evaluation Project	1	Nov-03	-	-	37,000
13	Africa	OIE	Strategic Plan for sanitary standards for livestock trade	1-2	Sep-04	Jan 05	Nov 06	305,000
15	Global	OIE	Expanding SPS Capacities at National and Regional Levels	2/3	Sep-04	Jan 05	Aug 06	130,614
19	Paraguay/Sri Lanka	WTO	SPS Stakeholder Involvement at National level	2	Sep-04	Jan 05	Apr 05	291,218
20	Uganda/Peru	WTO	Country Based SPS Plans	2	Sep-04	Oct 04	Apr 05	170,862
37	Global	FAO/IPPC	Assistance to ISPM-15 Wood Packaging	2	Sep-04	Feb 05	Dec 05	332,000
56	Global	WTO/IFIF	Capacity building for implementation of the Codex Alimentarius Code of Practice for animal feeding	2/3	Mar-05	Jun 05	May 06	150,000
62-1	Cameroon	FAO	Support to National Committee on Food Safety	2	Sep-05	Jan 06	Dec 07	334,152
64-1	Djibouti	FAO	Support to Veterinary Health services	2	Sep-05	Jan-06	Dec-07	560,000
65-1	Guinea	UNCTAD	Capacity Strengthening in Plant Health	2	Sep-05	Jan 06	Dec 07	599,240
79	Global	FAO	Quality Info on SPS- Portal	3	Sep-05	Jan 06	Dec 07	470,000
89	Global	FAO	International Plant Health Risk Analysis Workshop	2/3	Sep-05	Sep 05	Jan 06	274,338
			Project Preparation Grants					
13	Africa	OIE	Strategic Plan for sanitary standards for livestock trade		May-2003	June-2003	Oct-2003	20,000
19	Paraguay /Sri Lanka		SPS Stakeholder Involvement at National level		May-2003	June 2003	Oct-2003	20,000
20	Uganda/Peru		WTO		May 2003	June 2003	Oct-2003	20,000
62	Cameroon	WTO/FAO	Guidelines to Assess Capacity Building Needs in Official Food Control Systems"		Sep-04	Jun 05	Jul 05	20,000
38	CARICOM	WTO/FAO	Agricultural Health and Food Safety Laboratory Needs Assessment for CARICOM Countries		Mar-05	Oct 05	May 06	20,000

No	Country	Partner/EA	Title	Theme	Date Approved	Start Date	Comp Date	Budget (US$)
			Projects					
67	Malawi	WTO/FAO	Address post-harvest aflatoxin contamination problems in the paprika and groundnut sectors		Mar-05	TBA	-	30,000
68	SAARC	WTO/FAO	Regional co-operation on SPS		Mar-05	TBA	-	20,000
63	Benin	WTO/FAO	Guidelines to Assess Capacity Building Needs in Official Food Control Systems		Mar-05	Jun 05	Jul 05	20,000
61	Cambodia	WTO	SPS Needs Assessment		Mar-05	Apr 05	Jul 05	20,000
64	Djibouti	WTO	Project Design Livestock sector		Mar-05	May 05	Aug 05	20,000
65	Guinea	WTO/UNCTAD	Costs of compliance in the tropical fruit sector and design project application		Mar-05	Jul 05	Aug 05	20,000
66	Mozambique	WTO/UNCTAD	Valuation of costs of compliance in the tropical fruit sector and design project application		Mar-05	Jun 05	Aug 05	20,000
69	Yemen	WTO/WB	Support efforts at resolving SPS issues in the fisheries sector		Mar-05	Oct 05	Jan 06	20,000
88	Nepal	WTO/WB	Evaluation of human resources for SPS implementation		Sep-05	TBA	-	20,000
100	Cape Verde	WTO/FAO	Application of FAO guidelines on capacity building needs in Food Control		Sep-05	TBA	-	20,000
101	Eritrea	WTO/FAO	Evaluation of food control systems		Sep-05	TBA	-	20,000
102	Mali	WTO	SPS constraints in Horticulture		Sep-05	TBA	-	20,000
103	Rwanda	WTO	SPS constraints in Horticulture		Sep-05	TBA	-	20,000
105	Global	WTO/OIE	Compartmentalisation		Sep-05	TBA	-	20,000

(iii) Efficiency of Project Selection

28. The Working Group is an effective forum and as a process for project selection works well in that there is a very wide range of skills and geographical experience, supplemented by support to Working Group members from other staff in the respective organisations.

29. The Working Group has had to deal with an increasing volume of applications which has pressed against the resources of the Secretariat and the time spent in committee by the Working Group. Many proposals being presented are failing to be accepted at the first or even second presentation. For example at the September 2005 Working Group meeting, 36 proposals were submitted for the first time and only 12 were approved. A remaining 12 will need at least one other review by the Working Group. This referral/review process is increasing the time lag between the presentation of the project, the approval process and the subsequent disbursement. As the number of projects that are referred back increases; the Working Group may become increasingly submerged in paperwork. Equally the applicants could lose interest in a process which is perceived as bureaucratic and prolonged.

30. The role of the Working Group is very constrained in deliberating over the detail of project proposals rather than being more of a strategic forum of discussion on how the proposal would strengthen the overall portfolio of projects of the STDF. Thus issues of debate at the Working Groups have included discussion on the detail of the proposals on non-strategic issues such as: is the budget reasonable ? is the beneficiary legitimate? what is the reputation of the executing agency? It would thus seem necessary to carry out a more rigorous first screening of projects and project preparation grants before they reach the STDF Working Group so as to ensure that this body is not overwhelmed.

3.3 STDF's Contribution towards Capacity Building of the Partners

31. The STDF has been a learning experience for the partners in terms of building an understanding of the respective roles of the SSOs and in a Facility geared at the implementation of technical assistance on SPS standards rather than on the elaboration of standards. This process of itself has been an important knowledge building tool for the STDF partners.

32. As the STDF completes a number of projects, greater attention will need to be given to the sharing of results and dissemination of activities. This can only be achieved if a better balance can be struck in the Working Group by relieving it of some of the mountain of project screening activity that is currently undertaken. Thus the Working Group should use the opportunity to share key strategic issues of lessons learned from STDF activity and elsewhere, notably from partners' own TA programmes to provide models for replication.

3.4 Management of the STDF

33. The WTO is responsible for the STDF Secretariat which consists of one full-time WTO staff member and the part-time services of one other officer.

Thus the STDF Secretariat has to undertake a very wide and heavy range of tasks including the *public relations* and awareness raising activities as well as *project management* activities: the identification of projects, management of contracts, co-ordination with donors, preparation of STDF policy and Working Group meetings, coordination of awareness raising of the Facility to donors, stakeholders and potential beneficiaries. The Secretariat as custodian of the STDF funds is also responsible for the **financial management** of the STDF. Inevitably staff resources are spread thinly.

34. The WTO has been managing the STDF effectively and there have been detailed statements of account presented at each Working Group. But there are concerns that the funds could be managed more effectively on a **forecast cash flow** basis. Thus at present, once a project has been committed, the funds allocated are 'frozen' pending the commencement of implementation and disbursement. This reduces the liquidity of the facility and its ability to commit projects. This is a very a cautious approach to the financial management of the Fund.

35. The key issues that have emerged are set out in Table 5 and include:
   - Shortage of STDF resources for managing the core functions of the Secretariat, public relations and financial management.
   - Clear definition and allocation of responsibility for the project supervision, oversight roles.
   - Allocation of the 13% overhead cost.

Table 5: Management of the STDF

	Activity	Current Status	Key Gaps/Issues
(1) Core Secretariat Functions			
1.1	Coordination of STDF partners and policy/working groups.	The Secretariat has been commended by all partners for its role in preparing and managing the process of organising and servicing the working groups	Concentration of working group time and resources on project screening has not allowed the Secretariat to take a more strategic look at sharing information on existing programmes of assistance by partners and donors. Further thought needs to be given to how the Working Group can function strategically.
1.2	Preparation of Working Group meetings	This task is becoming increasingly onerous for the Secretariat due the volume of proposals to sieve, analyse and present to the Working Group. The task of reviewing and preparing meetings is also becoming more demanding for the Working Group due to the increased volume and variable quality of proposals to analyse within a short period of time.	More support is needed through: (i) increasing resources to review and summarise proposals (ii) Greater use of an outsourced technical resource/panel to sieve/summarise proposals
1.3	Support to Project screening and selection	This is a major task of the Secretariat and increasingly onerous	The burden of project screening could be more equitably shared with projects screened by the partners with the relevant expertise (e.g. OIE for Animal Health). More resources are need to fulfil certain basic screening functions such as analysis of project budgets.
1.4	Public relations of STDF raising profile of STDF	This is a core function of the Secretariat which received considerable support from the Chair in the start-up phase. The Chair devoted time to networking and raising the profile of the STDF with donors.	This function will change over time as the STDF matures. It would normally be the full-time activity of a senior manager whose role would be to maintain the profile of the STDF with donors, development agencies and related networks. Such an individual would have to be relieved of

			the day to day management of the STDF project cycle. Consideration will need to be given to providing resources to support the incoming Chair unless more of this activity is assumed by a strengthened secretariat.
1.5	Raising awareness of STDF with beneficiaries	The STDF Secretariat currently undertakes this activity, supported by the project partners.	This activity is distinct from 1.4 and is essentially about promoting demand for the STDF in developing countries. The ability of the Secretariat to undertake this function is constrained both by the lack of resources and by the limited outreach activities of the WTO.
1.6	Dissemination of results	This activity has not yet started	Additional resources are needed to ensure that this function is conducted adequately. This would include organising: -Contracting ex-post project and evaluations; -Contracting thematic evaluations at a facility level; -Lesson learning workshops from projects -General public relations activities with donors and beneficiaries.
(2) Project Management			
2.1	Drafting ToR for consultants for PPG/ contracting PPGs	This task is currently completed by the Secretariat which requires: -Identification and screening of consultants. -Management of the contracts and review of outputs. To date 10 PPGs have been completed satisfactorily.	The Secretariat's resources in commissioning and managing the PPGs is stretched as this often requires drafting of Terms of Reference, identifying and selecting consultants and then overseeing the performance of the contracts. This activity would benefit from much greater

		The volume of grants awarded has increased significantly, 16 PPGs have been approved in the past 12 months.	involvement by the partners with in-country presence and greater experience of managing such activities.
2.2	Follow-up on decisions of the Working Group for project revision/resubmission	This task is currently undertaken by the Secretariat	This function could be shared with partner agencies providing comments to applicants in their respective areas of competence.
2.3	Organising tenders for the projects	Most projects are not tendered although there is some concern that a number of projects prepared as PPGs should be put out to tender.	The WTO has limited capacity or procedures to organise project tenders. Moreover the Business Plan has been written in such a way as to avoid this eventuality. There is currently no a priori restriction on PPG consultants implementing projects.
2.4	Drawing up contracts with successful applicants	This is currently the responsibility of the nominated Executing Agency and the Secretariat.	More resources needed.
2.5	Support to project Supervision/ Project Monitoring	This is currently the role of the executing agency. This responsibility is transferred to the executing agency and the project partners perform this task according to their own procedures.	There needs to be a clear distinction between the role of the executing agency in providing technical/advisory support to a project and the more general monitoring of performance of activities against stated objectives. This latter role needs to be conducted in a consistent way across all projects and there is therefore a need to develop a common monitoring and reporting system (see Annex 4 for an example for a monitoring template)
2.6	Project Evaluations	The business plan specifies the frequency of project and Facility evaluations. It does not specify how or against which criteria these evaluations should take place.	Project evaluations should use a standard monitoring template as the starting point to assess the impact from the results of the activities completed.
(3) Financial Management of the STDF			

3.1	Fiduciary Responsibility	The STDF accepts contributions from Members of the WTO, from Specialised Agencies or from intergovernmental or non-governmental organisations The Secretariat is currently the custodian of the STDF, responsible and accountable to donors and partners for the fund. The WTO transfers funds to the responsible executing agency once the project has been approved by the Working Group, but the Secretariat still plays a key fiduciary role in ensuring that funds are only transferred to projects with implementation plans in place.	There is a consensus that the STDF is a 'public good' and there is agreement that the Facility should be reticent in accepting funds from the private sector. In transferring all project funds to the executing agency there is a risk of inconsistency in the implementation of disbursement procedures.
3.2	Financial Management of STDF	The Secretariat is responsible for calculating, collating and presenting the income and expenditure account and the disbursements to individual projects. The executing agency is responsible for disbursing funds to the project contractor and executing agency thus the procurement rules and payment procedures of the executing agency apply. Annex 1 of the business plan sets out some key guidelines on implementation, disbursement and audit procedures.	The financial management of the STDF is very cautious, involving zero risk for the custodian of the fund (WTO). Thus funds from projects which are committed but are delayed cannot be used for other projects.
3.3	Utilisation of the fund	The total administrative costs of the fund cannot exceed 13% of the direct costs. This excludes the cost of: -Ex-post or independent evaluations of the projects or the Facility. -Costs incurred by the STDF Secretariat in the	The issue of cost sharing caused a major impasse in the smooth operation of the facility in 2003 and 2004. It is important that a long term, not an interim, solution is found to this problem with all partners. A solution may lie in a clear definition of the roles and responsibilities

			preparation and participation in working groups and policy committees. -Provision for additional human resources for the Secretariat in the start-up phase.	involved in the administration of the STDF and the execution of projects. Part of the solution could be in distinguishing fixed costs of supporting the facility from the variable costs related to project implementation.

4   Key issues for the STDF

36. The STDF has developed successfully and is now at a key turning point. Having asserted itself and demonstrated the validity of its purpose, it needs to define the future direction that it will take as the STDF develops into a mature facility. Thus some of the issues that were left open in the business plan now need to be considered. The key issues include: (i) implementation modalities; (ii) creation of a project management unit; (iii) measurement of results, lesson learning and knowledge capture; (iv) strengthening the project preparation grant process; (v) enhancing co-operation/ complementarity with other programmes, and (vi) Moving from projects to a programme.

1 Implementation Modalities

37. The STDF has set itself the target of operating a Trust Fund with annual resources in the range of US$5-7 million. The Facility is well on the way to meeting that target. This success, however, also poses a major challenge as the Facility moves from a start-up phase to one of maturity. As set out in Table 5, there is a resource constraint facing the STDF Secretariat. In addition, the division of responsibility between the various project implementation functions needs to be addressed and adequate resources allocated. Thus before a long-term arrangement is reached in the cost share of the administration, it is important to identify the key steps in project execution, the resources needed, and an assessment made of whether the balance of activities could be better shared between the Secretariat and the STDF partners or partially/wholly contracted out to a third party.

38. Thus consideration needs to be given to defining what is meant by each of the following terms: (i) project supervision; (ii) project monitoring; (iii) project evaluation; (iv) technical support to projects, and (v) audit of projects. A solution to this issue lies in a clear definition of the roles and responsibilities involved in the administration of the STDF and the execution of projects.

39. One important point to underline is that WTO has limited capacity in project cycle management. As this role grows in importance so resources must be devoted to providing WTO with the necessary resources or shifting this burden to one of the partners.

2. Project Management Unit

40. As the facility expands the STDF needs to create a project management unit (PMU) with a clear allocation of responsibility between the PMU and the Secretariat. Careful consideration needs to be given to where this PMU is located. Three options appear available: (a) house the PMU as a separate entity within the WTO Secretariat; (b) house the PMU with one

of the STDF partners; (c) establish the PMU as an independent entity on the basis of a competitive tender.

2.1 Management of the STDF- Core Secretariat Functions

41. Most of the following functions should remain with the secretariat although there is scope for some partial transfer to a project management unit.

(i) Coordination of STDF partners and policy/working groups.
▪ This is a key function of the secretariat and should be retained

(ii) Preparation of Working Group meetings
▪ The Secretariat needs to perform the coordinating role. More inputs, especially review of projects, could be transferred to partners who could act more formally as technical advisers. Much of the preparatory work including checking eligibility with the STDF could be contracted out.

(iii) Public relations of STDF
▪ This includes: (i) raising the profile of the STDF with donors and within the trade/development agenda; (ii) Raising awareness of STDF with beneficiaries in LDCs and (iii) Dissemination of Results.

▪ All three of these activities should be retained by the secretariat with support from the STDF partners. The PMU can undertake generic awareness raising activities and the production of materials etc. A lot of the dissemination of results will be based on the monitoring reports which could be conducted by the PMU or contracted out.

(iv) Fiduciary Responsibility
▪ This includes the control of the disbursement of funds and auditing.

▪ The custodian of the fund must be responsible for audit.

▪ Contracting and disbursement functions would normally reside with the custodian but this could be transferred to a project management unit. This is not standard practice within the World Bank Group or FAO but the EC, DFID and others have developed PMUs with fiduciary responsibilities.

2.2 Management of the STDF- Project Cycle Management Functions

42. Many of the following functions could be transferred to a project management unit.

(i) Drafting ToR for Consultants for PPG/ contracting PPGs
▪ This could be conducted entirely by a PMU with technical support from project partners.

(ii) Follow up on decisions of the working group for adjustment of projects
▪ The Secretariat would normally assume this role but much of this activity could be conducted by a PMU.

(iii) Organising tenders for the projects
- A PMU could organise tenders but should have representatives of the partners or secretariat in attendance.

(iv) Drawing up contracts with successful applicants
- A PMU could draw up the contracts with beneficiaries.

(v) Project Supervision
- This key function includes:
  -Agreeing amendments to scope of project activities;
  -Approving disbursements against progress achieved;
  -Facilitating/resolving implementation issues with stakeholders and government;
  -Technical and advisory support to projects;
  -Coordinating lesson learning from projects;

- The overall responsibility should remain with the implementing agency, but some of the activities could be transferred to a PMU.

(vi) Project Monitoring
- This function includes:
  -Measurement of the performance of the project against objectives, assessment of attribution of project activities to the stated achievement against indicators,
  -Assessment of the sustainability of actions, development of recommendations to improve performance of project
- The PMU should be responsible for this task.

(vii) Facility Evaluation
- This function includes:
  -Building on the monitoring results and is about the measurement of impact beyond the direct achievement of project results.
-It should involve reviewing a sample of projects and drawing generic conclusions at a thematic level.
-It should be independent and report directly to the WG as it may involve evaluating the functioning of the PMU.

- This function is central to the dissemination of results and therefore should remain a secretariat responsibility but the activity could be handled by a PMU or contracted out to a third party.

3. Sustaining donor interest in STDF: Measurement of Results

43. Donors will be keen to support STDF while it is delivering demonstrable results in improving market access for developing and least-developed countries. While there is considerable donor interest in the STDF which shows no sign of abating, the second phase of funding by donors is always more difficult to secure than the first round. Donors will be become more critical of the results achieved and measured outcomes from the first phase. The key element that needs to be addressed by the STDF is to ensure that there is adequate capture of:

- The ***baseline situation*** at the start of the STDF intervention;

- A clear articulation of the purpose of the STDF intervention with an outline of the ***measurable indicators*** from the intervention;

- Direct tangible benefits from the goods and services provided under the project and the control of the project and ***how the project activities*** have led to the intended results.

44. Thus at present the applicants are required to set out the key objectives and outline the activities in the application form. However there is no requirement to set out a detailed project log frame from which the performance of the project can be measured and which could also be used as project monitoring tool.

45. The project log frame (see Annex 4) should also become the starting point for ex-post evaluations that are to be conducted. Moreover as the Facility matures, the STDF will need to be able to aggregate results from projects at a thematic level in order to be able to assess the overall performance of the Facility. Thus consistency in the measurement process at a project level becomes essential.

4. Strengthening the Project Preparation Grant Process

46. The PPG has been a successful instrument to ensure that projects are designed adequately with the SPS bottleneck articulated and the needs assessed. However the STDF is providing consultants to a beneficiary to undertake a PPG and then judging the output of the consultants work. This places the STDF in an uneasy situation with both the consultant and the beneficiary who may attribute failure to secure a project on the poor quality of the consultant provided by the STDF. Thus the STDF needs to place greater attention to the design of the PPG to ensure that there is local ownership of the project with an end of project consultation workshop as a key milestone resulting in government commitment for the project design. The PPG for Eritrea (e.g. STDF 101) is a successful model to follow which is designed to secure local ownership.

5. Enhancing Cooperation/Coherence and Complementarity with other Programmes

47. The STDF has found its niche in the crowded market of development assistance in support of trade development by focusing on a highly technical area neglected by donors. It is in a strong position to have a well defined role. There are two issues here. Firstly the STDF needs to demonstrate its complementarity with the SPS technical assistance being conducted by the other STDF partners through greater exchange and lesson learning at the Working Group.

48. Secondly the STDF has already developed a clear link with the Integrated Framework in picking up issues identified in the diagnostic studies. The importance of this complementarity will grow if aid resources for the IF

increase under the Aid for Trade Initiative.[8] This complementarity should be explored not just with respect to project actions, but also in implementation modalities, notably with regard to the location of the STDF PMU.

49. The STDF will therefore have to manage its profile of activities with greater attention to its complementarity with wider trade development technical assistance. These issues of coherence with other programmes should be identified at the PPG stage. Furthermore, this complementarity needs to be addressed not just with relevance to the IF, but much more broadly. This complementarity with other SPS programmes carried out by other development agencies needs to be enhanced through more lesson learning activity at the Working Group.

6. Knowledge Capture: The move from projects to a programme

50. One of the key objectives of the STDF is to become a lesson learning forum resulting from the interchange between the partners at policy level. To assist in this process, care needs to be taken that the agenda of meetings is not overwhelmed by consideration of projects proposals which do not meet the eligibility criteria. As such, a more robust first screening of projects needs to take place. But also as the facility matures, knowledge needs to captured from the projects and aggregated at a thematic level. While some of this knowledge capture needs to be part of the monitoring process supported by thematic evaluations, the management of this process is a core function of the STDF Secretariat.

51. Responsibility for dissemination within a project should be the responsibility of the beneficiary and there would normally be a nominal provision for this activity in project budgets. But the STDF should also ensure that there is an end of project workshop to which all stakeholders are invited. This participatory process of lesson learning is key to collating issues for further capacity building needs and in developing models of best practices for replication. The emphasis in the start up phase of any facility should be to raise its profile and attract a large number of projects. The STDF now needs to learn from this process.

52. The business plan does not set out a time horizon for the STDF. The Working Group may wish to consider moving from an annual work programme to a multi-annual work programme, setting out priority areas for action. Not only would this assist in moving from a collection of projects to a programme, it would also assist in obtaining predictable multi-annual donor contributions. Finally, such a move would also assist donors and partners in drawing lessons from the STDF and mainstreaming them into bilateral or other multilateral programmes.

---

[8]IMF/World Bank Development Committee Meeting Paper: Doha Development Agenda and Aid for Trade. September 12, 2005

5   Key Conclusions and Recommendations

53. The overriding conclusion is that the STDF is well on the road to achieving the objectives set out in the December 2002 policy document and refined in the business plan. The Facility has built on the foundation established with Development Grant Facility financing from the World Bank and has succeeded in stimulating considerable donor interest as well as attracting projects from a range of beneficiaries.

54. Thus the Facility has found a place in the crowded market of development assistance in support of trade development by focusing on a complex technical niche. The STDF has also succeeded in building a valuable **_forum for knowledge sharing_** on SPS across all sectors between the project partners.

55. The STDF is also building coherence in its TA activity by building on the Integrated Framework process. This relationship will become increasingly important if additional resources become available under the **_Aid for Trade Initiative_**.

56. It is too early to judge the **_effectiveness of the results_** of the STDF as few projects have been completed and thus the wider issues of impact and sustainability thus cannot be measured. The issue of whether the projects as designed have contributed to the original intentions of the business plan has not been analysed in detail as part of this evaluation. However it can be noted from the profile of the projects shown in Table 4 that the STDF has succeeded in securing a significant number of relevant SPS projects, particularly in LDCs.

The Next Steps

57. The STDF is at a key turning point and unless some of the key strategic and process issues are addressed, the **_STDF could become asphyxiated by its own success_**. Thus a key priority is to address the management of the project cycle, for which WTO and the Secretariat do not presently have the necessary capacity. In a sense, like all embryonic facilities the time has come to set in place some management structures and have the STDF running as more of a project management unit under the supervision of the WG.

58. The future role of the Secretariat needs to be addressed in this regard and a decision made on how some of the current functions could be supported, taken on by the project partners or contracted out to a third party. The gap analysis in Table 5 showed the decisions that need to be made and recommendations have been elaborated in section 4.3.

59. From the foregoing analysis it is clear the following actions need to be urgently undertaken:

1. Provide additional resources to the WTO Secretariat to strengthen core Secretariat functions (see 3.1).

2. Establish a distinct Programme Management Unit to manage project cycle management functions (see 3.2). This PMU could be:
   - hosted by the WTO;
   - hosted by a partner organization;
   - contracted out to a third party.

60. It is essential that some common procedures for the **measurement of results and capture of knowledge** are introduced including the formal use of log frames and project monitoring templates (see Annex 4).

61. As the **Aid for Trade** initiative is expected to become increasingly important, greater attention will need to be given to the **coherence of STDF's** pilot actions with the IF and other capacity building initiatives. This coherence should apply not just to project actions, but also to implementation modalities, in particular with respect to a proposed STDF PMU.

62. More generally the STDF needs to consider how the partners should play an increasing role in identifying and promoting the programme. One option may be for each partner to identify key gaps in current SPS technical capacity building which identifies concerted joint action. This could form the basis for a multi-annual programme of the STDF with a life cycle.

63. In considering its future, the STDF should build on the successful foundations which have already been laid by the partners. As a clearly targeted initiative, the STDF has a number of unique selling points: the technical expertise of the partners; its proactive project development; and its coverage, in particular for the poorest countries. By programming on a multi-annual basis, these facets will come further to the fore, allowing the STDF to more clearly define its value added with respect to other trade-related technical assistance initiatives. This should also assist in drawing lessons on SPS-related technical assistance which donors and other multi-lateral programmes will be able to mainstream into their own programmes.

Annex 1: Terms of Reference Mid-Term Review

CONSULTANT TERMS OF REFERENCE

REVIEW OF THE STDF

Tasks

(a)   To evaluate the operation of the STDF from inception in 2002 until September 2005; and

(b)   To review the administration of the STDF and to make recommendations on such actions as may be necessary to ensure the smooth functioning of the Facility in the future.

Basis for evaluation of the STDF in the period 2002-2005

The performance of the STDF should be measured on the following basis:

(i)   Ability of STDF to attract resources

The STDF was established with financing from the World Bank's Development Grant Facility (DGF) in July 2002. The main aim of the DGF grant was to provide seed funding for the establishment of multi-annual, multi-donor trust fund for capacity building in the field of SPS. The second aim was to contribute to coordination of capacity building among the STDF partners. DGF transfers are limited in time to a maximum of three years. DGF financing of $300,000 per annum for three years ended on 31 June 2005. No further seed funding has been available from the DGF for the STDF since that date.

The ability of the Facility to attract funding commitments from different sources should be evaluated. More specifically, in the business plan (adopted in September 2004), a target was established of a Trust Fund with annual resources of $3-5 million rising to $5-7 million per annum over time. Progress towards achieving this objective should be assessed by the consultant.

(ii)   Capacity of STDF to utilize resources

The consultant should examine patterns of annual STDF expenditure over the period of DGF financing. Particular issues to consider should include the ability of the Facility to generate project proposals, evaluate such proposals, contract projects and ensure effective on-going project management systems and budgetary oversight.

Results from projects commissioned to date should be reported and evaluated in terms of the overall goals of the Facility (specific evaluations of individual projects are not required).

(iii)   STDF's contribution to coordination of capacity building efforts among its partners

The consultant should assess STDF's contribution to coordination of efforts in capacity building. Activities of particular relevance are exchange of information and work on tools and methodology for capacity building.

Review of the administration of the STDF

The ability of the WTO to establish the necessary management structures to administer the STDF and the performance of those structures should be evaluated. Particular attention should be paid to the role and function of the STDF Secretary and the arrangements within WTO to support that role and function. Arrangements between the WTO as administrator of the Facility and executing agencies, both partners and non-partners (provided for within the business plan) should also be assessed.

If necessary, specific recommendations should be made on steps which should be taken to strengthen the administration of the STDF in future.

Sources of information

In the annexes, minutes of Working Group meetings and information documents on the operation of the STDF are reproduced. This information should be completed with relevant documentation on projects, exchanges of letters, etc. which will be provided by the STDF Secretary on request. Partner organizations should also be interviewed for their views as part of this review.

Timetable

The consultancy project will last a total of 26 days. The consultant will be contracted from Monday 22 August. The consultant should attend the STDF Policy Committee and Working Group meetings which will take place on 6 and 7 September. Consultations with partner organizations should follow directly after that meeting. The STDF Secretary will assist in facilitating partner meetings. A final report should be presented to WTO and the World Bank by Friday 12 October.

Annex 2: STDF Themes and Eligibility Criteria	
Heading	**Examples of eligible activities**
Theme 1: **SPS capacity evaluation and planning tools,** **including the need for and implications of international standards and their application.**	▪ Development of capacity evaluation and planning tools – sector or country specific. ▪ Support for participatory country or sector specific surveys, including the preparation of action plans. ▪ Support in understanding and use of risk analysis methodologies. ▪ Assessment of impact of proposed commercial standards and new standards implemented by trading partners. ▪ Training for national officials to analyse the implications of SPS standards in development.
Theme 2: **Capacity building for public and private organizations, notably with respect to market access**	▪ Strengthening of public-private dialogue and partnerships in the food safety, animal health and plant health area. ▪ Training and assistance in adapting domestic legislation to international standards and commercial market requirements. ▪ Training in contracting for private and public sector organizations engaged in the implementation of SPS standards. ▪ Establishment and maintenance of disease and pest surveillance databases and reporting systems. ▪ Support to improve institutional capacity to engage in market access negotiations related to food safety, animal health and plant health. ▪ Applied research for developing good agricultural practice, good laboratory practice and good manufacturing practice. ▪ Advisory services and training of staff in the fields of food safety, animal or plant health. ▪ Strengthening farmers' organizations and/or professional service provider organizations, and trade and industry organizations in contributing to better management of SPS standards. ▪ Analytical support to identify potential markets and their SPS requirements, including collecting data for risk analysis. ▪ Support in achieving international recognition of disease freedom – technical, legal and institutional aspects. ▪ Applied research for analyzing, assessing and solving SPS obstacles to gaining and maintaining market access. ▪ Feasibility studies for important investments, such as establishment of pest and disease free zones, or sanitation and quarantine systems.
Theme 3: **Information sharing on standards and technical assistance activities**	▪ Collection of SPS training materials. ▪ Maintenance of database on SPS-related technical assistance activities. ▪ Analysing information on official and commercial SPS requirements.

Least Developed Countries

 Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome & Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia.

Other Low Income Countries

Armenia, Azerbaijan, Cameroon, China, Ghana, Honduras, India, Indonesia, Kenya, Korea Dem. Rep, Kyrgyz Republic, Moldova, Mongolia, Nicaragua, Nigeria, Pakistan, Tajikistan, Turkmenistan, Vietnam, and Zimbabwe.

Annex 3: Analysis of STDF Commitments and Disbursements (in Swiss Francs) as at 1.11.2005

I.   FUNDS RECEIVED

World Bank (2003)	417,000
World Bank (2004)	720,000
Transfer From WTO Doha Development Agenda Global Trust Fund (2003)	100,000
WTO Transfer (2004)	100,000
WTO Transfer (2005)	150,000
Australia	192,380
Canada	392,465
Denmark	548,285
France	234,246
Italy	312,000
Netherlands	927,900
United Kingdom	1,903,065
Interest on contributions	5,254
Total	**6,002,595**

II.   OVERVIEW OF COMMITTED EXPENDITURE

Total project expenditure committed: 4,430,904

Total project preparation grant expenditure committed: 438,756

Total non-project expenditure not covered by administrative overheads:

                                                                    122,215

Total administrative overhead
    683,429

Total: **5,675,304**

Current balance of STDF accounts   327,291

III   COMMITTED EXPENDITURE

(a)   PROJECT GRANTS

5.1.1   STDF 5: Development and maintenance of STDF database, Executing Organization WTO, 2003 - 2005 - TWB010004

TOTAL	46,800

5.1.2   STDF 14: Evaluation of national veterinary services capacity to benefit from the SPS Agreement, Executing Organization OIE, November 2003 - December 2004 - TWB010008

42,180

5.1.3   STDF 9 : Model Programme for Developing Food Standards within a Risk Analysis Framework : Pilot application in Asian and Pacific Countries, Executing Organization FAO, June 2004 - August 2005 - TWB010009

	76,752

5.1.4   STDF 10 : Support to Pilot Activities for National Implementation of International Portal, Executing Organization FAO, First quarter 2004 - First quarter 2005 - TWB010010

	64,350

5.1.5   STDF 19 : Model Arrangements for SPS Stakeholder Involvement at National Level, Executing Organization WTO, 1 April 2004 - 31 March 2005 - TWB010011

	314,482

5.1.6   STDF 20 : Country base plans for SPS development, Executing Organization WTO, 01 April 2004 - 28 February 2005 - TWB010012

	219,289

5.1.7   STDF 15 : Strengthening STDF Partner Co-Ordination at Regional Level, Executing Organization OIE, 2004 – TWB010014

	164,060

5.1.8   STDF 37: Assistance to Developing Countries in the Implementation of ISPM 15 - TWB010018

	362,968

5.1.9   STDF 13. rev 1: Enhancement of selected African regions capacity to meet livestock standards, Executing Organization OIE, 2005-2007 - TWB010019

	359,900

5.1.10   STDF 56: Capacity Building for Implementation of the Codex Alimentarius Code of Practice for Animal Feeding, Executing Organization International Feed Industry Federation (IFIF), 2005 - 2006 - TWB010027

	184,500

5.1.11 STDF 62: Support for food safety in Cameroon, Executing Organization FAO.
- TWB010035

381,840

5.1.12 STDF 64: Support to veterinary health administration in Djibouti, Executing Organization FAO. - TWB010037

748,200

5.1.13 STDF 65: Support to compliance with official and commercial standards in the fruit and vegetable sector in Guinea, Executing Organization FAO. - TWB010038

683,700

5.1.14 STDF 79: Quality information on SPS issues - a pre requisite for capacity building with respect to the international portal on Food safety, Animal and Plant Health, Executing Organization FAO. - TWB010039

606,300

5.1.15 STDF 89: International Plant Health Risk Analysis Workshop, Executing Organizations FAO/IPPC. - TWB010040

175,583

TOTAL COMMITTED PROJECT EXPENDITURE: **CHF 4,430,904**

(b) PROJECT PREPARATION GRANTS

5.1.16 STDF 12: Model arrangements for SPS stakeholder involvement at the national level, Executing Organization WTO, August - October 2003 - TWB010003

12,438

5.1.17 STDF 11: Country based plans for SPS-related development, Executing Organization WTO, August - October 2003 - TWB010006

13,470

5.1.18 STDF 3: Tender dossier on the feasibility and evaluation of the sanitary component of a regional programme for livestock development in Africa, Executing Organization OIE, June - November 2003 - TWB010007

11,895

5.1.19 STDF 38 : CARICOM Laboratory project preparation grant, Executing Organization WTO / CARICOM, 2004 - TWB010016

	25,800

5.1.20 STDF 26 : Cameroon Standarts Training project preparation grant, Executing Organization WTO, 2004 - TWB010017

	25,200

5.1.21 STDF 61: Project preparation grant for Cambodia (Mr Digby Gascoine), 24 April, 22 July 2005 - TWB010023

	25,200

5.1.22 STDF 62: Project preparation grant for Cameroon (Mr Jean Claude Cheftel), 9 May - 31 July 2005 - TWB010024

	25,200

5.1.23 STDF 63: Project preparation grant for Benin (Mr Louis Laleye), 15 June - 31 July 2005 - TWB010025

	25,000

5.1.24 STDF 64: Project preparation grant for Djibouti (Mr Gregory Sullivan), 25 May - 1 August 2005 - TWB010026

	25,000

5.1.25 STDF 65: Project preparation grant for Guinea, 1 June 2005 - 26 August 2005 - TWB010028

	21,770

5.1.26 STDF 66: Project preparation grant for Mozambique, 23 May 2005 - 26 August 2005 - TWB010029

	21,770

5.1.27 Fish Handling, Safety and Quality Improvement Proyect in Yemen, 1 October
- 19 November 2005 - TWB010031

	25,413

5.1.28 STDF Review: STDF 76 - TWB010034

	25,800

5.1.29 STDF 88: Nepal SPS training project preparation grant, Executing
Organizations WTO/World Bank. - TWB010041

	25,800

5.1.30 STDF 100: Project preparation grant for Cape Verde, Executing
Organizations WTO/FAO. - TWB010042

	25,800

5.1.31 STDF 101: Eritrea project preparation grant, Executing Organization
WTO/FAO. - TWB010043

	25,800

5.1.32 STDF 102: Project preparation grant for Mali, Executing Organizations
WTO/FAO. - TWB010044

	25,800

5.1.33 STDF 103: Project preparation grant for Rwanda, Executing Organizations
WTO/FAO. - TWB010045

	25,800

5.1.34 STDF 105: Project preparation grant on compartmentalization, Executing
Organizations WTO/OIE. - TWB010046

	25,800

TOTAL PPG EXPENDITURE COMMITTED: **438,756**

IV.   NON-PROJECT EXPENDITURE NOT COVERED BY ADMINISTRATIVE OVERHEADS

5.1.35 Support for the Implementation of the Standards and Trade Development Facility (STDF), Geneva, Mr. Gascoine, March - October 2003 - TWB010001

56,012

5.1.36 Support for the Implementation of the Standards and Trade Development Facility (STDF), Geneva, Mr. Poul Fritzkjaer, 16 June - 5 September 2003 - TWB010002

4,920

5.1.37 Travel for STDF Secretary to attend fundraising meeting with UK and Dutch authorities, The Hague, Netherlands, 23 April 2004 - TWB010013

	780

5.1.38 STDF Working Group and Policy Committee Meeting - Business Plan on the Operation of the STDF, Paris, France, 9-10 September 2004 - TWB010015

	1,051

5.1.39 Colloquium on Sanitary and Phytosanitary Measures, London, United Kingdom, 14 February 2005 - TWB010021

	2,816

5.1.40 Conference on STDF, Brussels, Belgium, 21 October 2005 - TWB010036

	1,418

5.1.41 Temporary Assistance for Administration of the Standards and Trade Development Facility (STDF), Agriculture Division, Mr. Panos Antonakakis, 1 March - 31 October 2005 - TWB010030

	52,278

5.1.42 Independent Evaluation of Partner Project Application (STDF 46), 2-3 March 2005 - TWB010022

	1,200

5.1.43 STDF 109: Publicity material for Hong Kong Ministerial Conference, December 2005 - TWB010033

	1,740

TOTAL NON-PROJECT EXPENDITURE NOT COVERED BY ADMINISTRATIVE OVERHEADS   CHF 122,215

Note: The contribution from the Doha Development Agenda Global Trust Fund in 2005 of CHF150,000 was to assist cover the cost of administration of the STDF in the start-up phase.

V. ADMINISTRATIVE OVERHEAD

Overhead fees (2003)	25,379
Overhead fees (2004)	118,581
Overhead fees (2005)	539,469
TOTAL ADMINISTRATIVE OVERHEAD	**683,429**

Annex 4:   Project Cycle Management

Table 1: Suggested Structure for Project Log Frame (Based on EC)

Project Description	Indicators	Sources of Verification	Assumptions
Overall objective: The SPS impact to which the project contributes – at a national or sectoral level (provides the link to the policy and/or sector programme context)	Measures the extent to which a contribution to the overall objective has been made. Used during evaluation. However, it is often not appropriate for the project itself to try and collect this information.	Sources of information and methods used to collect and report it (including who and when/how frequently)	
Purpose: The development outcome at the end of the project – more specifically the expected benefits to the target group(s)	Helps answer the question 'How will we know if the purpose has been achieved'? Should include appropriate details of quantity, quality and time.	Sources of information and methods used to collect and report it (including who and when/how frequently).	Assumptions (factors outside project management's control) that may impact on the purpose-objective linkage
Results: The direct/tangible results (good and services) that the project delivers, and which are largely under project management's control	Helps answer the question 'How will we know if the results have been delivered'? Should include appropriate details of quantity, quality and time	Sources of information and methods used to collect and report it (including who and when/how frequently)	Assumptions (factors outside project management's control) that may impact on the purpose-objective linkage
Activities The tasks (work programme) that need to be carried out to deliver the planned results (optional within the matrix itself)	*(sometimes a summary of resources/means is provided in this box)*	*(sometimes a summary of costs/budget is provided in this box)*	*Assumptions (factors outside project management's control) that may impact on the activity-result linkage*

Source: Based on EC Project Cycle Management Guide 2004

NOTES.

In this example, the original logframe is very brief whereas in the proposal text is a mixed presentation of different outputs, activities and components which need to be organised into a clear logframe that contains all the essential elements of the project that can be monitored and assessed.

The logframe is a management tool, a framework for:

- Supporting the design of a project to ensure the logical timing and sequencing of events and to set up ways of measuring success from the start;

- Helping to structure the content of the project proposal in a logical way;
- Monitoring the progress of the project;
- Assessing the performance and impact of the project.

The use of **baselines** to help judge the extent to which the project has achieved its aim is essential.

Activities – these must clearly show the steps leading to each of the planned outputs. The ones presented in the original logframe for this project are very general and would be difficult to monitor as presented. More detail on the activities involved, for example, in establishing the national agency and offices for certification, with indicators showing the anticipated timing, possibly cost inputs, if helpful. Some of this information could be taken from the workplans.

 "technical assistance" or capacity building should not be presented as an activity; TA cross cuts all other components and should be included in the key activities for each of them rather than as a separate set of activities.

Outputs – these are the immediate results of a project and lead logically from the activities. They should be specific enough to be able to be measured. In a project as complex as this a greater number of more specific outputs is easier to follow and to monitor.

Purpose – there should only be one purpose statement. The purpose should state the main outcome of the project.

Goal – the goal should be about the wider development objective of the project.

Indicators at output, purpose and goal level need to reflect the level of the output, purpose and goal statement, and, where possible, show expected timings and quantification or how quality will be judged.

At purpose level the indicators need to be able to judge whether the expected project impact has occurred.

2. MONITORING FRAMEWORK (Based on EC Template)

RELEVANCE AND QUALITY OF DESIGN

Project Number: Monitoring Visit Date:

Definition of the Relevance: "The appropriateness of Project Objectives to the problems that it was supposed to address, and to the physical and policy environment within which it operated" (PCM handbook).

	PERFORMANCE CONCLUSION	Remarks
Prime issues		(Always to be added)
1.1 Was the original design well conceived?		Weighting 25%
-were the needs, Purpose and Overall Objectives properly defined? - were the planned Inputs and Activities adequate to achieve the Results, Purpose and Objectives? - were the Risks and Assumptions correctly defined?		
1.2 How well has the project adapted during implementation?		25%
- to different or changing needs? - to other external changes (Risk and Assumptions either foreseen or not)? - to correct any internal design problems? - were conditionalities appropriate? - were conditionalities respected?		
1.3 How adequate (relevant) now are the following as presently defined:		50%
-Inputs/Activities? -Results? - Project Purpose and Overall Objectives? - Assumptions?		

Note: a=very good; b=good; c=problems; d=serious deficiencies

<u>Overall conclusions:</u>

Key actions recommended and by whom in order of priority.

3. EFFECTIVENESS TO DATE

Project Number: Monitoring Visit Date:

Definition of the Effectiveness: " An assessment of the contribution made by Results to achievement of the Project Purpose, and how Assumptions have affected project achievements" (PCM handbook).

Prime issues		(Always to be added)
3.1 Are the benefits being received by the planned beneficiaries?		Weighting 70%
-have all planned beneficiaries access to project results/services? -are all planned beneficiaries using (benefiting from) the results/services? how do the beneficiaries perceive the benefits? to what extent are OVIs of Project Purpose being realised? -how good is the communication with planned beneficiaries?	.	
3.2 Are other uses or secondary effects (planned or not) of the Results consistent with the Project Purpose and Overall Objectives?		10%
3.3 To what extent has the project adapted to external factors?		20%
-if the Assumptions (at Results level in Logframe) have held good, how well is the project adapting to ensure the benefits to beneficiaries? - if other, unexpected factors have happened, how well is the project adapting to ensure benefits reach beneficiaries?		

Note: a=very good; b=good; c=problems; d=serious deficiencies.

Overall conclusion: **c**

Key action(s) recommended and by whom in order of priority.

4. IMPACT TO DATE

Project Number: Monitoring Visit Date:

Definition of the Impact: "The effect of the project on its wider environment, and its contribution to the wider Objectives summarised in the Project's Overall Objectives" (PCM handbook).

Prime issues		(Always to be added)
4.1 Are the wider planned effects being or likely to be achieved?		Weighting 60%
-how far are the OVIs at the level of Overall Objectives being reached? -how well is the project contributing to the Overall Objectives?	·	
4.2 If there are other wider unplanned effects, are they (a) very positive, (b) positive, (c) negative or (d) very negative?		10%
-in the realisation to the Overall Objectives? -more generally?		
4.3 Adaptation to external factors?		30%
-if Assumptions at the level of Project purpose are incorrect, how well has the project been able to adapted? -how well is the project adapting to any other external factors? -how well is the project coordinated with other relevant projects and donors?		

Note: a=very good, b=good, c=problems, d=serious deficiencies

Overall conclusion: **a**

Key action(s) recommended and by whom in order of priority.

5. POTENTIAL SUSTAINABILITY

Project Number: Monitoring Visit Date:

Definition of the Sustainability: "The likelihood of a continuation in the stream of benefits produced by the project…" (PCM handbook). Sustainability begins with project design and continues through project implementation. It is not an issue to be considered only near project completion.

	PERFORMANCE CONCLUSION	Remarks	
Prime issues		Non Applicable	(Always to be added)
5.1 What is the level of policy support provided and the responsibility assumed by the recipients?			16,7%
- what support has been provided from the relevant national, sectoral and budgetary policies? - do changes in policies and priorities affect the project and how well is it adapting? - how much support (political, public, and private sector) is there for the project? - do conditionalities address long term needs for support?	.		
5.2 How is the project contributing to institutional and capacity building?			16,7%
- how far is the project embedded(owned) in local institutional structures? - are counterparts being properly trained for handing over the project (technically, financially and managerially)? - are there good relations with new or existing institutions and are they capable of continuing the project flow of benefits?			
5.3 How well is the project addressing socio-cultural issues and taking into account gender issues?			16,7%
-does the project correctly correspond to the local perception of needs? -what was the level of participation of the beneficiaries in design and ongoing in implementation? -does the project acknowledge and accept gender roles and gender related needs? -does it respect local customs and if changes have been made, have they been accepted?			

-how good are the relationships between project management and the beneficiaries and their representatives?			
5.4 How well is the technology (human and technical) responding to and built on existing culture and knowledge?			16,7%
-how understandable and flexible is it? -does it improve the living conditions of the beneficiaries? -how well does it encourage the development of local knowledge and capacity? -how well does it maximise the use of local resources?			
5.5 Are environmental issues taken into account?			16,7%
-is the project respecting environmental needs? -is the project managing its environmental responsibilities? - are stakeholders and beneficiaries aware of the project's environmental responsibilities? - has environmental damage been done or likely to be done by the project? - how well does the project respect traditional, successful environmental practices?	Not applicable.		
5.6 Financial/economic soundness?	b ▼		16,7%
-are the services (Results) affordable for the beneficiaries at project completion? -if the Results have to be supported institutionally are funds likely to be made available? -are the responsible persons/institutions aware of their responsibilities? -can benefits be maintained if economic factors change (e.g. exchange rate, commodity prices)?			

Note: a=successful; b=good; c=problems; d=serious deficiencies

Overall conclusion: **b**

Key action(s) recommended by whom in order of priority.

Annex 5:List of Documents

Document Title	Author	Date
Update on the Operation of the Standards and Trade Development Facility	WTO	7 October 2005
Food Safety and Agricultural Health Standards- Challenges for the Developing Country Exports	World Bank	10 January 2005
Introduction to the SPS Agreement	WTO	Web
Sustainability Impact Assessment of WTO negotiations	Impact Assessment Research Centre, Univ Manchester	Jan 2005
Codex Alimentarus Commission:		May 2003
FAO/WHO Cooperative Programme FAO/WHO Project and Fund for Participation in CODEX. Project Document	FAO/WHO	17 June 2003
Doha Development Agenda: Aid for Trade. Development Committee Communiqué	Development Committee	25 September 2003
Adoption of the Standards and Trade Development Facility, Business Plan, call for Proposals and 2005 Workplan	WTO	21 October 2004
Standards and Trade Development Facility, Business Plan	WTO	September 2004
Standards and Trade Development Facility, Concept Note	WTO	16 December 2002
Letter from Vice president Knudsen to DDG WTO, Rodrigues Mendoza	World Bank	2 August 2002
Review of Standards Related Issues Identified in the Integrated Framework Diagnostic Trade Integration Studies	WTO	28 February 2005
STDF 43 ;Summary Report of STDF Donor Round Table	WTO	10 September 2004
STDF 33:Note of Informal Donor Meeting- Netherlands Ministry of Foreign Affairs	WTO	23 April 2004
Participation of Developing Countries on the Development and Application of International Standards, Guidelines and Recommendations on Food Safety, Animal and Plant Health	WTO	11 November 2001
STDF 17: The STDF Trust Fund- Explanatory Note	WTO	**November 2003**
All minutes, Agendas and Working Documents of STDF Policy and Working Groups 2003-2005	WTO	

Annex 6: List of People Consulted			
Given Names	**Family Name**	**Institution**	**Role**
Jennifer	**McClean**	Canadian Food Inspection Agency	Senior Policy Analyst
Jennifer	**Leavy**	DFID	Adviser , Renewable Natural Resources
Brent	**Larson**	FAO	Standards Officer Plant Production and Protection Division
Ezzedine	**Boutrif**	FAO	Chief, Food Quality and Standards Service
Leo	**Hagedoorn**	FAO	Food Safety Officer Economic and Social Dept
Londa	**Van der Wal**	FAO	Portal Project(STDF 79)
Michael	**Robson**	FAO	Portal Project(STDF 79)
Niek	**Van der Graaff**	FAO	Chief, Plant Protection service
Bert	**Vermaat**	Netherlands Ministry of Foreign Affairs	Policy Advisor, Sustainable Economic Development
Alejandro	**Thiermann**	OIE	President International Animal Health Code
Bernard	**Vallat**	OIE	Director General
Dewan	**Sibartie**	OIE	Dep. Scientific Dept
Cornelis	**De Haan**	World Bank	Consultant, Animal Science. Rural Development Department
Kees	**Van de Meer**	World Bank	Senior rural development specialist
Leendert	**Solleveld**	World Bank	Adviser, Trade Department
Steven	**Jaffee**	World Bank	Senior Economist Poverty Reduction and Economic Management
Sushma	**Ganguly**	World Bank	Sector manager Agriculture and Rural Development
Jørgen	**Schlundt**	WHO	Director Food Safety Department
Frank	**Wolter**	WTO	Director Agri and Commodities
Gretchen	**Stanton**	WTO	Economist Agri and Commodities
Michael	**Roberts**	WTO	STDF Secretariat
Panos	**Antonakakis**	WTO	Economist Agri and Commodities