STANDARDS AND TRADE DEVELOPMENT FACILITY

ANNUAL REPORT
2007

A joint initiative of the Food and Agriculture Organization, the World Organization for Animal Health, the World Bank, the World Health Organization and the World Trade Organization
EXECUTIVE SUMMARY

1. Implementation of a new five year strategy for the STDF began in 2007. The Medium Term Strategy, adopted by the Policy Committee in December 2006, sets out three main work areas for the STDF: co-ordination, project development and project funding. The Strategy placed relatively more emphasis on the STDF developing into a centre of good practice and coordination of SPS-related technical assistance. Operations in 2007 reflected this change in emphasis.

2. Two principal actions were undertaken in relation to co-ordination in 2007:
   - a programme of regional consultations was started to examine SPS capacity building needs and responses in three regions: Central America, the East African Community and a sub-group of ASEAN nations (Cambodia, Lao P.D.R. and Viet Nam); and
   - tracking continued of flows of SPS-related technical assistance.

3. The programme of regional consultations was initially planned to cover just Central America and the East African Community, but was subsequently extended to a sub-group of ASEAN countries (Cambodia, Lao P.D.R. and Viet Nam). The other major change made was that the programme was linked to the broader Aid for Trade initiative, and split into two stages. The first stage has focused on a survey of SPS capacity evaluations and a parallel review of SPS-related technical cooperation activities in each region. The studies were presented at the Regional Reviews of Aid for Trade held in Peru, the Philippines and Tanzania in September 2007.

4. The second stage of work in each of the pilot regions will be completed in 2008. This work will be based on a gap analysis of needs and the supply of technical assistance which will identify and prioritize outstanding needs not covered by existing or planned SPS-related technical assistance. Results will be presented at regional workshops in mid-2008.

5. Accurate reporting on the level of donor activity in the SPS area is problematic. As part of STDF's coordination role, discussions were held with the OECD on how to improve tracking the flow of SPS-related technical cooperation funds. Agreement was reached with the OECD that a separate SPS category would be retained in the Credit Reporting System.

6. On project development, the Medium Term Strategy also placed importance on the use of project preparation grants (PPGs) to provide a basis for donor interventions and as a vehicle for mobilizing funds for projects developed by the STDF. In 2007, five applications for PPG funding were accepted by the Working Group. The Secretariat started to participate more actively in field missions to (a) improve the quality of PPGs and the resultant projects, and (b) match outstanding requests for funding with available donor resources in-country. A number of PPGs are also expected to follow from the regional consultation work. To stimulate the flow of PPGs, linkages with the Enhanced Integrated Framework are also being further strengthened.

7. The STDF approved eight projects for funding in 2007. Another four projects were approved for funding outside the Facility, for which the Secretariat already identified various funding options to be further pursued in 2008. The STDF relies on the services of partner and observer organizations to implement and/or monitor projects. To facilitate this process, framework agreements have been agreed with FAO, the World Bank and ITC. It is to be noted that the negotiation of these agreements delayed implementation of projects approved for
funding. Three early STDF projects completed in 2006 were externally evaluated in 2007 and lessons learned were compiled in a separate document (STDF 205). Several recommendations made by the evaluations were pre-empted in the updated Operational Rules for the Facility adopted in December 2006. Other recommendations were made, notably the need for the Secretariat, as well as partners and donors, to continue scrutinizing project applications. Five projects were completed in 2007 and these will be externally evaluated in the course of 2008.

8. In 2007, the STDF met its target level of donor funding of US$5 million as set by the Medium Term Strategy. The Secretariat was strengthened with the recruitment of additional staff who will join in March 2008. Management of the STDF website was transferred from the World Bank to the WTO in order to facilitate its continuous updating and improve its functionality. Various efforts were made to publicize and distribute STDF work more broadly, both in-house at WTO and outside through participation in various meetings and workshops.
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I. OVERVIEW

1. This document provides an overview of the first year of STDF’s operations under the Medium Term Strategy (2007-11). It follows the same structure as the Operating Plan for 2007, adopted by the STDF Policy Committee in December 2006. The annual report is based around the three main themes identified in the Operating Plan (coordination, project development and project funding). Sections II, III and IV provide a description of the activities undertaken and results obtained with respect to each of the envisaged outputs. A description of results obtained under completed STDF projects is included in Section V. Sections VI and VII address the Facility’s budget and operating costs.

II. COORDINATION

(a) Tracking the supply of SPS-related technical cooperation funds

2. The Operating Plan for 2007 envisaged the following outputs:

- An update of the overview of SPS-related technical cooperation circulated to the SPS Committee – including analysis of the type of assistance provided

- Additional coding of data according to a typology of technical cooperation and inclusion of an SPS-specific advanced search function on the TCBDB)\(^1\)

- Establishment and update of a compendium of technical cooperation providers

3. Measuring accurately the supply of SPS-related technical assistance has proven problematic. From the first project funded by the STDF, i.e. the establishment of a database to track the supply of SPS-related technical cooperation funds, and from subsequent efforts to track reporting to the WTO/OECD Trade Capacity Building Database (TCBDB), it has become clear that two main difficulties arise related to tracking the flow SPS-related technical cooperation: reporting and data classification.\(^2\)

Reporting

4. To discuss issues related to better capturing SPS-related technical cooperation in the TCBDB, the STDF Secretariat - accompanied by Ms Susan Harrison from WTO’s Institute for Training and Technical Cooperation (ITTC) - visited the OECD on 19 February 2007. From that meeting it became clear that changes were being considered to the TCBDB itself to reflect the need for better monitoring of Trade Related Technical Assistance (TRTA) as part of the Aid for Trade initiative. In particular, there would be a progressive phasing out of the separate reporting exercise by donors to the TCBDB in favour of a single annual report by donors to the OECD Credit Reporting System (CRS).

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\(^1\) See http://tcbdb.wto.org.

\(^2\) The first project approved, STDF 5, established a database on SPS-related technical assistance activities which mirrored the WTO/OECD Trade Capacity Building Database (TCBDB). It separated out data on SPS from a general standards category and further categorized data by sub-categories i.e. food safety, animal and plant health as well as a cross-cutting general category. With the same improvements reflected in the TCBDB, there was little justification to continue the STDF database as a separate undertaking.
5. Research on reporting to the TCBDB suggests that the level of donor activity in the SPS area is under-reported, because of incomplete reporting on activities by donors, and because of "other reporting" (i.e. classification of SPS activities within other categories e.g. training on the SPS Agreement as part of a broader WTO accession initiative). One way to resolve this issue is to track voluntary submissions to the SPS Committee by bilateral donors which provide information on assistance programmes in the SPS area. Through a comparison of this information with data entered in the TCBDB, a more complete picture of the assistance offered in the SPS area can be obtained.3

6. Databases tend to concentrate on past activities rather than the future provision of SPS-related technical cooperation. In the research work for project STDF 175 (regional consultations), the inventory of technical assistance for East Africa identified approximately $150 million in commitments to East African countries and the wider African continent until 2010. Tracking of future planned assistance is relevant to the STDF's role on information sharing and coordination of technical assistance. Encouraging reporting on future planned activities at STDF Working Groups may be one way of capturing this information more systematically.

Classification

7. Moving to a single data reporting exercise to the OECD Credit Reporting System (CRS) from which data for the TCBDB will be generated raises some difficulties with respect to classification of data. The CRS does not have the same reporting categories as the TCBDB or the same search functionalities. Agreement was reached with OECD that a separate SPS category will be retained. An additional point to note is that the TCBDB data is generated primarily from commitments, whereas the CRS data tracks disbursements.

8. Both the TCBDB and the CRS pose the same problem from the data harvesting perspective in as much as there tends to be an under-reporting of SPS-related technical cooperation activities. SPS-related activities may form part of a broader project and as such go unreported in the SPS category on the database. The larger project may be reported in a different category e.g. trade and environment, agriculture, trade development etc.

9. Discussions on how to capture SPS-related technical cooperation in the new system will continue with the OECD and in-house at WTO during the course of 2008. It is further to be noted that the Secretariat participated in a Practitioners' Forum entitled "Making the most of Aid for Trade" organized by the OECD on 2 October as part of the Aid for Trade meeting: "Focus Africa" in Dar es Salaam (Tanzania). The Forum included a discussion on the objectives and process of the monitoring framework for the Aid for Trade initiative and a special session dedicated to the use of the WTO-OECD recipient questionnaires as a reporting template for the WTO Global Aid for Trade Reviews.

10. Discussion on the future of the TCBDB delayed the full-year data collection exercise for 2006. Data was circulated for verification in early November and it is unlikely that data will be loaded onto the TCBDB database before December. The additional coding of data required in the 2007 Operating Plan has thus been delayed. The Secretariat intention is to merge the data reported to the TCBDB with information reported by Members to the SPS Committee and data

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3 Also worthy of note if the initiative by the European Commission to establish a database on all EC and member state related SPS-related technical cooperation activities.
harvested during the STDF regional consultations. Completion of this work, in the circulation of an update to document G/SPS/GEN/726, will depend on the availability of staff resources.

**Compendium**

11. At the October 2007 meeting of the SPS Committee, the STDF announced its intention to request Members to provide input for a compendium on SPS related technical assistance providers. A request will be circulated through the SPS Committee and the STDF to provide information for this compendium. The information should be provided in accordance with a questionnaire to be developed by the Secretariat and include issues such as overall development policy, specific funds available for SPS-related technical cooperation, project eligibility and application criteria, relevant contact persons, etc.

12. It is envisaged that the compendium will be complete by mid-2008. Over time, the compendium could be extended to include information on the provision of other SPS-related technical cooperation, for instance by emerging developing country members of the SPS Committee or by private sector foundations. It is to be noted that a similar initiative is being undertaken by UNIDO in the form of an Inter-Agency Resource Guide which lists all trade capacity building initiative by the UN and related bodies. Although more specific, the STDF compendium will be designed to complement this UNIDO initiative.

**(b) Gauging the effectiveness of technical cooperation**

13. The Operating Plan for 2007 envisaged the following outputs:

- **Two regional consultations in Central America and in the East African Community**
- **A minimum of one PPG from each regional consultation – subject to approval by the Working Group**
- **One national consultation in Benin**
- **Evaluations of 9 STDF projects.**

**Regional consultations**

14. To examine SPS capacity building needs and responses at a regional level, the STDF organized a series of regional consultation workshops between donors, international organizations and beneficiaries as part of the regional Aid for Trade meetings in Latin-America, Asia and Africa. The workshops took place on 12 September in Lima (Peru), on 18 September in Manila (Philippines) and on 30 September in Dar es Salaam (Tanzania). Although originally the organization of only two workshops was envisaged - one in Central America and another in the East African Community – plans were amended to fit with the Aid for Trade calendar – and extended in scope to three countries in the Greater Mekong Delta Sub-region (Cambodia, Lao P.D.R. and Viet Nam).

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4 Document STDF 175 contains the work plan for the regional consultation workshops. See for more information on the Aid for Trade initiative: http://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm#events
In addition, it was decided to split the regional consultation work into two stages. The first stage focused on reviews of SPS capacity evaluation studies and SPS related technical cooperation provided to each region. Consultants were contracted and their studies presented at the regional consultation workshops in Lima, Manila and Dar es Salaam. Moreover, the conclusions and recommendations of the workshops were reported back in the main Aid for Trade meetings. A report on the workshops was given during the Annual Review of Aid for Trade debate in the WTO General Council on 19 November 2007.

The second stage of the regional consultation process will involve working with beneficiaries to prioritize needs, conducting field work in each region to identify good practice which may be replicated in future projects, and working with donors to identify opportunities for future assistance programmes. It will be implemented in the first half of 2008 and culminate in the organization of follow-up workshops bringing together the donors, international organizations and beneficiaries. The workshops are expected to result in a common understanding of the needs in each region, a prioritization by the beneficiaries of those needs, and a clear outline of how those needs can be met.

Further planning of the second stage of the regional consultation work in 2007 has involved the commissioning of a study to examine the issue of benchmarks for good practice in the provision of SPS-related technical cooperation. The draft report of the consultant, Mr Digby Gascoine, was discussed by the STDF Working Group in November. The final report is expected to further guide the Secretariat in the second stage of the regional consultation work. It should also assist donors and beneficiaries more generally in drawing conclusions as to the parameters for successful technical cooperation projects and the identification of priority areas for future interventions.

PPGs from regional consultations

The first phase of the regional consultation work was completed in September. PPGs will be developed during the second stage of the regional consultation work and submitted for consideration by the Working Group at its second and/or third meeting in 2008.

National seminar

A WTO national seminar on the SPS Agreement was requested by Benin in 2007. However, no reply was received by the Secretariat to a request to nominate dates. As such, it was not possible to test the concept of bringing donors and beneficiaries together at a national level and to ensure further synergy between STDF actions and those of other donors.5

The STDF Secretariat did however organize activities in Benin primarily related to the preparation of two STDF projects (STDF 48 and 127).

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5 Three PPGs and one project have been funded in Benin through the STDF.
Evaluations

21. Three STDF projects were evaluated in 2007:

- STDF 14: *Development of the OIE Capacity Evaluation tool (Performance Vision Strategy)* – evaluated by Peter Bazeley Development Consulting;

- STDF 37: Assistance to developing countries in the implementation of ISPM 15 (Guidelines for regulating wood packaging material in international trade) – evaluated by Wageningen University and Research Center (Netherlands);


22. The lessons drawn from these evaluations were compiled by the STDF Secretariat in a single document (STDF 205), which was discussed by the STDF Working Group in November 2007. It is to be noted that many concerns expressed in the evaluations were pre-empted in the updated Operational Rules for the Facility adopted in December 2006. As of that date, all STDF projects STDF included provision for an independent "ex post" evaluation.

23. Eligibility criteria have been tightened, along with reporting requirements, and projects are now only implemented with an STDF partner or third party overseeing implementation. To this end, framework agreements on the implementation/supervision of STDF projects were concluded in the course of 2007 with FAO, the World Bank and ITC. In addition, the STDF Secretariat has been strengthened. However, acknowledging that there is still room for improvement the Secretariat recommended that a number of additional actions be taken, notably with respect to the initial evaluation of projects by the Secretariat and partners.

24. Evaluations of other completed STDF projects will be commissioned in the final quarter of 2007 and discussed at the first Working Group meeting in 2008. Late submission of final reports by implementing agencies and pressure of work on the Secretariat delayed the commission of additional evaluations.

(c) Disseminating good practice

25. The Operating Plan for 2007 envisaged the following activities:

- *Dissemination of information through the STDF website, the SPS Committee and other fora*

- *Updated training materials on the STDF website*

Dissemination

26. The STDF website was updated in August 2007. All documentation relating to approved projects, status reports and evaluations were included on the website. Greater emphasis has also been placed on the STDF's coordination work. Studies on the supply of and demand for SPS-related technical cooperation for the three pilot regions, as well as summaries of the workshops
organized in September, have been made available through the website. Subsequent papers will also be placed on the website.

27. The STDF website is being transferred from the World Bank to the WTO. Transfer will provide an opportunity to revise the website and improve its functionality – in particular with regard to the creation of a password protected site for dissemination of meeting documentation. In-house maintenance within the WTO should facilitate the website’s update.

28. Although by the end of 2007 only stage 1 of the STDF regional consultation work had been completed, considerable efforts were made to publicize and disseminate this work more broadly, as well as information on the Facility in general. In particular, briefing were given at the following events:

- SPS Committee meetings (March/April, June and October)
- IPPC Commission on Phytosanitary Measures (April)
- OIE International Commission (May)
- Codex Alimentarius Commission (July)
- Regional Aid for Trade meetings in Latin-America, Asia and Africa (September/October)
- WTO Committee on Trade and Development (June)
- WTO Sub-Committee on Least-Developed Countries (June)
- WTO Geneva week (May and November)
- WTO technical assistance activities - including *inter alia* several Geneva-based Trade Policy Courses, regional Trade Policy Courses, one Geneva-based Specialized Course, regional SPS workshops and national SPS seminars
- STDF information sessions in Germany (May), Norway (June), Finland and Sweden (September) and the United Kingdom (October)
- International Feed Industry Federation/FAO General Meeting (October)
- African Regional Standards Organization meeting (November)

29. The STDF has also been included in the draft Trade Capacity Building Inter-Agency Resource Guide, an initiative by UNIDO, as one of the current inter-agency cooperation mechanisms. A final version of the Guide should be available in 2008.
Training materials

30. A call for training materials from both partners and donors was made at the Working Group meeting in November. In the course of 2008, the link to training materials on the STDF website will be further updated with new materials received and with materials obtained through completed STDF projects. At the November meeting, the Working Group approved the development by the Secretariat of training videos as a means to further disseminate good practice.

III. PROJECT DEVELOPMENT

31. The Operating Plan for 2007 envisaged the following outputs:

- **4 PPGs for LDCs in the IF**
- **2 PPGs developed from the regional technical consultations**
- **5 additional PPG applications accepted for funding**
- **Implementation of 12 PPGs already approved by the STDF Working Group**

New PPGs

32. A total of seven applications (STDF 105, 165, 171, 172, 185, 191 and 200) for project preparation grants (PPGs) were received in 2007. Of the total of seven applications, five applications were accepted for funding (STDF 105, 165, 171, 172, 191).

33. It was estimated that two PPGs would emerge from the regional consultation workshops. Given that the second stage of this work will be carried on in the first half of 2008, PPGs will be submitted for consideration by the Working Group in the course of next year.

34. This figure for PPG funding is below expectations. The Operating Plan estimated that 21 applications would be received, of which 11 PPGs would be approved for funding by the end of 2007. The low figure demonstrates the need to pay more attention to project development in the Facility's operations– in particular in light of the importance being placed by the Medium Term Strategy on the use of PPGs to provide a basis for donor interventions and as a vehicle for mobilizing funds for projects developed by the STDF. One mechanism to increase the flow of PPGs, is improved linkage with the Enhanced IF. Further publicity on the STDF’s project development function should also be circulated - both by partners and donors.

35. Strengthening synergies with the Enhanced IF is particularly important in view of the target to devote 40 per cent of Facility resources to projects in LDCs and/or OLIEs. Although the Secretariat was tasked to allocate a total of four PPGs to develop projects from priority action areas identified in IF Diagnostic Trade Integration Studies (DTIS), in actual fact only STDF 165 (Madagascar) materialized as such. To further strengthen the linkage with the IF process, the Secretariat discussed its availability to update SPS sections of existing DTIS where necessary with the Enhanced IF Secretariat. At a procedural level, the Secretariat also recommended to amend the STDF Operational Rules and include one LDC member from the Enhanced IF Board as a developing country representative in the governance structure of the STDF.
36. Finally, in light of the aforementioned 40 per cent target, it should be noted that two more approved PPGs benefited LDCs and/or OLIEs. Although STDF 191 (Sierra Leone) was not directly developed from a priority action in the country's DTIS, it took the DTIS documents into account in the application. Furthermore, STDF 171 (Kenya) had a regional focus and should benefit other LDCs and/or OLIEs in the region.

**Implementation of existing PPGs**

37. The Secretariat was tasked with the implementation of seven outstanding or recently approved PPGs (STDF 52, 68, 88, 100, 105, 116, 155). The Secretariat was also responsible for working with consultants to ensure that five PPGs contracted in 2006 were presented to the Working Group for its consideration (STDF 38, 46, 113, 126, 127). Out of this total of 12 PPGs, seven PPGs (88, 100, 113, 116, 126, 127 and 155) were completed and presented to the Working Group for consideration in 2007. Two resultants projects (STDF 88 (i.e. 170) and 127 rev.1) were approved for funding by the STDF, while for five projects (STDF 100, 113, 126, 116 and 155) the Secretariat was mandated to explore funding opportunities outside the Facility.

38. Implementation of five PPGs (STDF 38, 46, 52, 68 and 105) was outstanding at the end of 2007.

39. STDF 38 (CARICOM), a draft assessment report on laboratory capacity in the Caribbean, was prepared and circulated to participants in a WTO regional seminar on the SPS Agreement in Jamaica in July 2007. The CARICOM Secretariat has been repeatedly requested, including at the regional seminar, to deliver the final project proposal. No final proposal has yet been received however.

40. Initial implementation of STDF 46 (Benin and Tanzania) by the consultant was inadequate and did not result in a project proposal that could be tabled for consideration by the Working Group. A subsequent mission was undertaken by another consultant, who suggested that there did not seem to be a need for an STDF proposal at this stage – given existing donor (EC) projects in the targeted sector (pineapple) and insufficient visibility regarding the country's future laboratory architecture.

41. Implementation of STDF 52 (Malawi/Zambia) was underway and a project proposal is expected for consideration by the Working Group in March/April 2008. In developing this project particular attention has been given to funding this proposal outside the STDF. To this end, it has been agreed that the work undertaken in Zambia will be included within a broader UNIDO project on conformity assessment. For Malawi, a joint arrangement between UNIDO/Commark Trust and the STDF is being explored.

42. Approval for STDF 68 (SAARC) was withdrawn by the Working Group due to significant delays in implementation. SAARC was invited to re-apply.

43. STDF 105 (Compartmentalization) was withdrawn in March - but re-submitted and approved by the Working Group in June. Pilot countries to test the concept of compartmentalization were selected (Brazil and Thailand) and a project proposal is expected for consideration by the Working Group in March/April 2008.

44. In view of the greater reliance being put on project development in the Facility's operations, it should be noted that the Secretariat actively participated in field missions to South
Africa (related to STDF 52), Cape Verde (STDF 100), Burundi (STDF 113) and Madagascar (STDF 165) in 2007. Secretariat participation aimed to: (i) improve the quality of PPGs and resultant projects; and (ii) matching outstanding requests for funding with available donor resources in-country. Although the terms of reference of STDF consultants normally included a responsibility to explore funding opportunities in-country, practical experience has demonstrated that STDF participation in field missions facilitates this process considerably. More generally, through such participation, the Secretariat has been able to expand its network of contacts on the ground, which in turn feed into its broader aim to act as a coordinating mechanism and to develop into a "centre of excellence".

45. An overview of the implementation status of PPGs is contained in document STDF 207. Table 1 provides an overview of the estimated and actual STDF project development work.

<table>
<thead>
<tr>
<th>Output</th>
<th>Estimated</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
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<td>1</td>
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<tr>
<td>PPG development from regional technical assistance dialogues</td>
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<td>0</td>
</tr>
<tr>
<td>Other PPGs</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Implementation of PPGs already approved by the Working Group(^6)</td>
<td>12</td>
<td>7</td>
</tr>
</tbody>
</table>

### IV. PROJECT FUNDING

46. The following outputs were envisaged in 2007:

- **Approval of approximately 8 applications for funding**
- **Implementation and monitoring of 14 on-going projects**

**New projects**

\(^6\) Of the five outstanding PPGs, one was revoked by the Working Group (STDF 68), two are under implementation (STDF 52 and 105), two have not resulted in project proposals (STDF 38 and STDF 46).
47. In 2007, the STDF received a total of 21 requests for funding. Ten of these were direct requests for funding from external applicants (STDF 134 rev.1, 168, 169, 173, 178, 180, 188, 194, 195 and 210). In addition, a total of 11 applications derived from PPGs were made to the Working Group (STDF 48 rev.3, 62 rev.1, 69 rev.1, 100, 113, 116, 126, 127 rev.1, 155, 170 and 171 rev.1). Of these 11 requests, three applications were re-submitted for funding after Working Group approval had been withdrawn in March 2007 (STDF 48 rev.3, 62 rev.1 and 69 rev.1).

48. The Working Group approved a total of 8 projects for funding by the Facility (STDF 173, 171 rev.1, 170, 169 rev.1, 134 rev.1, 127 rev.1, 62 rev.1, 48 rev.3). These funding requests totalled $US3,488,936 in value. In addition, 4 projects were approved for funding outside the Facility (STDF 100, 113, 126 and 155). In 2006, a total of 8 projects with a total value of $3,313,331 were approved.

49. Contracts were concluded and implementation started for the following projects:

- STDF 69 rev.1 with the Yemeni Seafood Exporters Association (implementing organization) and ITC (supervising organization)
- STDF 173 with Food Standards Australia New Zealand (FSANZ)

50. Projects STDF 134 rev.1 and STDF 170 are implemented by FAO and were still going through the organization's internal review process before conclusion of an implementation agreement (under the Framework Agreement agreed between WTO and FAO). It is to be noted that for both projects the deadline for contracting and starting implementation expires at the end of March 2008. Projects STDF 171 rev.1, 127 rev.1, 62 rev.1 and 48 rev.3 were accepted for funding in November 2007 and contracting will be concluded in 2008.

51. In addition, 4 projects were approved for funding outside the Facility and the Secretariat was mandated to further explore external funding possibilities (STDF 100, 113, 126 and 155). Funding possibilities were identified for project STDF 100 (Cape Verde), with the most concrete option being the possible availability of counterpart funds under the Fisheries Partnership Agreement agreed between the European Community (EC) and Cape Verde. In 2008, the Secretariat will continue to monitor the developments in this regard. For STDF 113 (Burundi), a preliminary agreement was reached with the EC on funding through STABEX, a compensatory finance scheme to stabilise export earnings of ACP countries.

52. Donors were also contacted in relation to project STDF 126 (Tanzania) on the margins of STDF’s regional consultation workshop in Dar es Salaam in September/October. While there was broad support (both from Government and donors) to implement this project, donors questioned items in the budget and the sustainability of the project. Both the EC and World Bank representatives indicated that the timing of the proposal did not fit their funding cycles and that they could not fund the proposal directly. The applicant subsequently submitted a revised project proposal in October for consideration by the Working Group (STDF 182). On the basis of the Operational Rules and comments made by donors in-country, it was felt that more work was needed on the application and its consideration was deferred. The Secretariat will work with the applicant in 2008 to finalize the proposal for consideration by the Working Group in March/April 2008.
53. Project STDF 155 (Nicaragua) was approved by the Working Group in November 2007 and the Secretariat will further explore opportunities for external funding in the beginning of 2008.

**Implementation of on-going projects**

54. Implementation of STDF projects was delayed by failure to agree the sharing of administrative overhead fees and the charging of direct costs to STDF projects between partner organizations. Without agreement on the administrative formalities for project implementation, projects implementation could not start and a backlog of projects developed.

55. In the absence of its own project implementation capacity, STDF is dependent on the services of partners and observers to implement projects. To bridge this gap, the Medium Term Strategy – adopted in December 2006 - advocated increasing involvement of partners and third parties in the management and oversight of STDF projects. Framework agreements on the implementation/oversight of STDF projects were concluded in 2007 between WTO and FAO, the World Bank and ITC. Signature of these agreements has permitted project implementation to proceed. Conclusion of more such agreements with partners and observer organizations is planned in 2008.

56. Contracts were concluded and implementation started for the following projects:

- STDF 108 with the Inter-American Institute for Cooperation on Agriculture (IICA)
- STDF 133 with the South Pacific Community (implementing organization) and FAO (supervising organization)
- STDF 145 with Michigan State University (implementing organization) and the World Bank (supervising organization)
- STDF 146 with the Ministry of Trade (IF Implementation Unit) (implementing organization) and UNDP (supervising organization)

57. Five projects (STDF 15, 19, 20, 89 and 120) should be completed in 2007. In accordance with the STDF Operational Rules, these projects will be evaluated in 2008 - followed by a discussion in the Working Group.

58. In addition to implementation of 8 projects approved in 2007, the Secretariat oversaw the monitoring and evaluation of 19 on-going projects at various stages of implementation.

59. Finally, it should be observed that the Working Group withdrew its approval for project STDF 64 (Djibouti) at its meeting in March 2007 due to implementation delays lasting more than one year. One of the objectives of project STDF 13 is to reformulate this proposal on the basis of a larger regional plan for trade in animal products. It is expected that STDF 64 will be updated and reconsidered in 2008.

60. An overview of the implementation status of STDF projects is contained in document STDF 207. Table 2 provides an overview of the estimated and actual projects.
Table 2: Expenditure on STDF projects in US dollars

<table>
<thead>
<tr>
<th>Output</th>
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<th>Actual</th>
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<tbody>
<tr>
<td>Approval of projects for STDF funding</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Monitoring of ongoing projects</td>
<td>14</td>
<td>19</td>
</tr>
</tbody>
</table>

V. PROJECTS: OUTPUTS AND RESULTS

61. A summary of outputs and results of completed STDF projects can be found below. Of the project listed below, STDF 14, 37 and 56 have been externally evaluated. Further evaluations projects will follow in 2008.

62. It should be noted that in addition to the projects below, 18 more STDF projects have been approved and are either under implementation or awaiting contracting. Information on each of these projects can be found on the STDF website or in document STDF 207.

**STDF 5 - STDF Database**

63. The project led to the construction of a database to examine the supply of SPS-related technical cooperation funds. This STDF database (http://stdfdb.wto.org) was established in 2003 and reported data in the period 2001-2003. The database drew from data contained in the TCBDB and permitted technical cooperation offered in the SPS area to be viewed separately from data on standards generally. The data was further codified according to whether or not the assistance was in the area of general SPS implementation, food safety, animal or plant health. Comparison of data reported to the TCBDB with Members' submissions to the SPS Committee highlighted an underlying issue of under-reporting of SPS-related technical cooperation. Subsequent efforts focused on trying to improve reporting to the TCBDB (http://tcbdb.wto.org). On the basis of the information reported in the database and additional information from Members reported in the SPS Committee, the STDF Secretariat circulated document G/SPS/GEN/726 which estimates the value of SPS-related technical assistance in the period 2001-2006.

**STDF 9 - Model Programme for Developing Food Standards within a Risk Analysis Framework**

64. The project led to the development of an FAO/WHO Training Manual on Food Safety Risk Analysis, and the conduct of two sub-regional training courses. The aim of the first course in Bangkok, Thailand (December 2005), which involved participants from nine countries in the Asian region, was to test the Manual. The Manual was finalized after the second course in Apia, Samoa (July 2006), which involved 12 participants from the Pacific region. The training manual has subsequently been used in FAO training – including for project STDF 120 in India. The
Training Manual - which is available on the STDF website - is composed of the following training modules:

- Module 1 - Discussion of pre-training course questionnaires
- Module 2 - Introduction to risk analysis, international trends and its relevance in establishing food standards.
- Module 3 - Risk Analysis and its components
- Module 4 - Risk management and developing a food standard (theory sessions with practical case studies and working groups)

**STDF 10 – International Portal on Food Safety, Animal and Plant Health (IPFSAPH)**

65. Needs assessment missions – including national workshops – took place in two pilot countries, i.e. Turkey and Uganda. National information of the two countries (regulations, standards, etc) has been included in the IPSAPH Portal. In addition, a handbook on the construction of national portal entries is also being finalized. Two regional workshops (in western Asia and southern/eastern Africa) were held to test and demonstrate the use of the portal implementation handbook and to promote the use of the portal throughout the respective regions. An evaluation of this project is pending receipt of the final project report from FAO.

**STDF 14 - Development of the OIE Capacity Evaluation tool (Performance Vision Strategy)**

66. STDF seed funding led to the development of a OIE Capacity Evaluation tool adapted from a the Performance Vision Strategy (PVS) tool of the Inter-American Institute for Cooperation on Agriculture. The PVS, which incorporates standards in the Terrestrial Animal Health Code, assists national Veterinary Services to determine their actual level of quality, elaborate strategies with the private sector, establish priorities and plan necessary investment programmes. The tool can be used by countries, preferably when assisted by certified OIE assessors, in carrying out a self-evaluation of their veterinary services and verification of their compliance with OIE quality standards. When so requested, evaluations can also be conducted by an OIE official team of assessors through OIE's official procedure. Subsequent funding from the World Bank is leading to the use of the PVS in approximately 120 countries. The project's evaluation report is available on the STDF website. More information on the OIE tool can be obtained from the OIE website.7

**STDF 15 – Expanding SPS capacities at national and regional levels**

67. The project led to the development of standard OIE training materials for new OIE delegates. In addition, in-depth "training of trainers" sessions were held for OIE officials on the back of WTO SPS regional workshops in Thailand (October 2005), Egypt (June 2006), CIS countries (July 2006) Latin America (October 2006) and Mali (February 2007). An evaluation of this project is pending.

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7 See http://www.oie.int/eng/oie/organisation/en_vet_eval_tool.htm?e1d2
STDF 208  
Page 18

**STDF 19 - Model arrangements for SPS Stakeholder involvement at the national level**

68. The project led to the development and application of a generic methodology for the establishment of national information management systems in the SPS area in two pilot countries, i.e. Paraguay and Sri Lanka. The focus of these systems was on harvesting comments from national stakeholders on new regulations being adopted by trading partners. An evaluation of this project is pending receipt of the final project report from the implementing organization, Abt Associates. A follow-up project by GTZ, the EC and the Sri Lanka Chamber of Commerce to secure the sustainability of the system in the long term is currently under development.

**STDF 20 - Country based plans for SPS related development**

69. The project resulted in the development of a cost-benefit methodology for SPS-related investment and the application of the methodology in two pilot countries, i.e. Peru and Uganda. The cost-benefit report in Uganda was used as part of the STDF regional consultation work in East Africa (document STDF 175). Publication of results and an evaluation of the project is pending an update of the final project document by the Peruvian authorities.

**STDF 37 - Assistance to developing countries in the implementation of ISPM 15**

70. The project resulted in the organization of a workshop in Vancouver, Canada (February/March 2005) to address the practical application of ISPM No. 15 (Guidelines for regulating wood packaging material in international trade), particularly for developing and least-developed countries, and to facilitate national ability to implement the standard. Over 170 delegates took part in this workshop, representing 79 different countries. Presentations, training material and other useful background documents were developed and can be downloaded from the IPPC website.8 The project evaluation report found a strong correlation the training provided and subsequent implementation of ISPM 15.

**STDF 56 – Capacity building for the implementation of the Codex Alimentarius Code of Practice for Animal Feeding**

71. The project resulted in the organization of a series regional workshops in support of the implementation of the Codex Code - in Sao Paolo, Brazil (July 2005), Goa, India (September 2005), Beijing, China (December 2005), Nairobi, Kenya (June 2006) and Cairo, Egypt (September 2006). The Manual of Good Practices for Animal Feeding (including translation into English, French, Spanish, Arabic and Chinese) for use by the feed industry is being finalized by the International Feed Industry Federation (IFIF) with the assistance of FAO.

72. The project had some unexpected outcomes and spin-off effects that deserve follow-up – notably a wide interest by stakeholders in the establishment of feed associations at the national level, and - more concrete - the creation of two regional feed associations. Led by IFIF's member association from Brazil (Sindiracoes), the Latin American Feed Trade Association (LAFTA) was created in April 2007 comprising over 40 individuals from several national feed associations and a number of other countries. A similar process led by the South African Animal Feed Manufacturers Association recently started in Southern Africa with the creation of the

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8 See https://www.ippc.int/servlet/CDSServlet?status=ND00OTEyNyY2PWVuJjMzPSomMzc9a29z
WECSAFA (West, East, Central and Southern Africa Feed Association). Further establishment of national feed associations and the promotion of an internationally harmonized approach on feed safety in general would greatly benefit from the elaboration of subsequent tailor-made workshops and training programmes by the wider donor community. The project’s evaluation report is available on the STDF website.

**STDF 89 – International plant health risk analysis workshop**

73. The project provided training on plant health Pest Risk Analysis (PRA) to address issues and find solutions to problems faced by people involved in PRA around the world. Funding from the STDF was used to cover participation of 27 developing and least-developed countries. Presentations, training material and other useful background documents were also developed and can be downloaded from the IPPC website. An evaluation of the project is pending.

**STDF 120 – Risk analysis and risk assessment training in India**

74. A five-day training course on plant health risk analysis was held by the Canadian Food Inspection Agency (CFIA) in Chennai, India (March 2007) involving 22 participants from the Ministry of Agriculture and affiliated research centres from all regions in India. A training course and corresponding materials were developed (building on project STDF 89). The materials developed by the STDF 89 project were further refined and field-tested. These materials should now serve as a training package (including a teacher’s guide) for use world-wide in developing or advancing pest risk analysis activities at the national and international level.

75. A similar five-day training course in the food safety area involving 25 participants was held in Hyderabad, India (November/December 2006). The course also resulted in the development of a training package. A similar exercise will be undertaken in the animal health area and a training course is scheduled for November 2007. All developed training courses and materials should appear on the STDF website shortly, followed by an evaluation of the project in 2008.

**VI. FACILITY OPERATING COSTS**

76. The following outputs were envisaged in 2007:

- Implementation of 2007 operating plan for the STDF;
- Organization of three Working Group meetings and one meeting of the Policy Committee.

77. To implement the STDF Medium Term Strategy, provision was made in the Operating Plan to expand the Secretariat to include an additional full-time member of professional staff and a part-time administrative assistant. Two professional staff vacancy notices were issued in 2007 – one for the new post and one for an existing professional post filled on a short-term basis.

78. To cover staffing needs during the recruitment process, two staff members were contracted on short-term contracts: Mr Melvin Spreij and Mr Simon Padilla.

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9 See https://www.ippc.int/servlet/CDSServlet?status=ND01ODQ1NSY2PWWuJjMzPSomMzc9a29z
79. The 2007 Operating Plan was based on a target level of donor funding of US$5 million. In total, CHF 5,177,904 (or approx. US$ 5,112,465) was received in donor funding in 2007.

80. Estimated and actual operating budget for 2007 is outlined in Table 3 below. An administrative overhead charge of 13% is levied by WTO as administering agency for the Facility. The administrative overhead for project funding is normally shared between the executing or supervising agency and the WTO. In 2007, total overhead fees generated were CHF 470,187 of which the WTO retained CHF 331,871 and partners received CHF 138,316.
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#### Total

- **476,000**
- **368,578**
- **329,088**

| Misc | Project Development | PPG | PPG | TWB010041 | STDF 88 | 24,400 | 21,786 |
| Misc | Project Development | PPG | PPG | TWB010042 | STDF 100 | -2,782 | -2,484 |
| Misc | Project Development | PPG | PPG | TWB010054 | STDF 46 | 2,085 | 1,862 |
| Misc | Project Development | PPG | PPG | TWB010055 | STDF 113 | 3,864 | 3,450 |
| Misc | Project Development | PPG | PPG | TWB010056 | STDF 116 | 24,000 | 21,429 |
| Misc | Project Development | PPG | PPG | TWB010057 | STDF 126 | -5,918 | -5,284 |
| Misc | Project Development | PPG | PPG | TWB010074 | STDF 52 | 24,700 | 22,054 |
| Misc | Project Development | PPG | PPG | TWB010076 | STDF 171 | 22,249 | 19,865 |
| Misc | Project Development | PPG | PPG | TWB010080 | STDF 155 | 24,000 | 21,429 |
| Misc | Project Development | PPG | PPG | TWB010172 | STDF 172 | 28,500 | 25,446 |

#### Total

- **220,000**
- **145,097**
- **129,551**

| Misc | Project Funding | PROJECT | PROJECT | TWB010012 | STDF 20 | 757 | 676 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010027 | STDF 56 | 1,585 | 1,416 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010051 | STDF 120 | -101,928 | -91,007 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010053 | STDF 114 | -10,844 | -9,662 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010063 | STDF 146 | 648,500 | 579,018 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010065 | STDF 145 | 636,378 | 568,195 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010087 | STDF 69 | 508,160 | 453,714 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010133 | STDF 133 | 269,594 | 240,709 |
| Misc | Project Funding | PROJECT | PROJECT | TWB010173 | STDF 173 | 114,270 | 102,027 |

#### Total

- **3,313,331**
- **2,751,610**
- **2,456,795**

| HR | STDF Secretariat Operating Costs | HR | HR | TWB010079 & TWB010080 | P. Antonakakis | 86,833 | 77,529 |
| HR | STDF Secretariat Operating Costs | HR | HR | TWB010049 | S. Melvin | 139,592 | 124,635 |
| HR | STDF Secretariat Operating Costs | HR | HR | TWB010051 | S. Padilla | 87,371 | 78,099 |
| HR | STDF Secretariat Operating Costs | HR | HR | TWB010134 | M. Bailey | 13,123 | 11,717 |
| HR | STDF Secretariat Operating Costs | HR | HR | TWB019999 | Interviews | 22,822 | 20,377 |
| HR | STDF Secretariat Operating Costs | OTH | TWB010088 | Publicity | 650 | 1,473 |

#### Total

- **467,065**
- **351,391**
- **313,742**

#### Sub-total

- **4,76,396**
- **3,616,676**
- **3,229,175**

#### Overheads

- **581,931**
- **470,168**
- **419,793**

#### TOTAL

- **5,058,327**
- **4,086,844**
- **3,648,968**