

# **STANDARDS AND TRADE DEVELOPMENT FACILITY**

## **ANNUAL REPORT 2013**

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



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## ACRONYMS

ADB	Asian Development Bank
AFD	French Agency for Development
ASEAN	Association of Southeast Asian Nations
CAADP	Comprehensive Africa Agriculture Development Programme
CABI	Centre for Agricultural Bioscience International
COLEACP	Comité de Liaison Europe-Afrique-Caraïbes-Pacifique
COMESA	Common Market for Eastern and Southern Africa
CBD	Convention on Biological Diversity
CPM	Commission on Phytosanitary Measures
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
EIF	Enhanced Integrated Framework
EPPO	European and Mediterranean Plant Protection Organization
FAO	Food and Agriculture Organization of the United Nations
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IAS	Invasive Alien Species
ICCO	International Cocoa Organization
IDB	Inter-American Development Bank
IICA	Inter-American Institute for Cooperation on Agriculture
IPPC	International Plant Protection Convention
ITC	International Trade Centre
IUCN	International Union for Conservation of Nature
LDCs	Least Developed Countries
MCDA	Multi Criteria Decision Analysis
NSI	North-South Institute
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health
OIRSA	Organismo Internacional Regional de Sanidad Agropecuaria
OLICs	Other Low Income Countries
PPGs	Project Preparation Grants
PPPs	Public-Private Partnerships
SADC	Southern African Development Community
SASEC	South Asia Sub-regional Economic Cooperation
SPS	Sanitary and Phytosanitary
STDF	Standards and Trade Development Facility
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USDA	United States Department for Agriculture
WHO	World Health Organization
WTO	World Trade Organization

## EXECUTIVE SUMMARY

1.1. The STDF undertook a series of awareness raising and resource mobilization activities, and continued to identify and disseminate good practice, thus facilitating increased coordination and coherence in the development and implementation of SPS projects and programmes. A study on International Trade and Invasive Alien Species (IAS) was finalized, reviewing and analysing key concepts and principles relevant to IAS and international trade in the context of the SPS Agreement and the Convention on Biological Diversity (CBD). The study considers various initiatives to enhance capacity for managing the entry and spread of IAS, reviews common challenges and good practices. It also makes targeted recommendations, including on the use of existing phytosanitary and veterinary control and quarantine systems and procedures to prevent the introduction of IAS.

1.2. A workshop was organized to further improve a tool, developed with STDF support, to inform SPS decision-making, based on Multi Criteria Decision Analysis (MCDA). Participants highlighted the tool's usefulness to prioritize SPS needs and consider the likely impacts of investments, and also to raise awareness about the importance of investing in SPS capacity and to contribute to enhanced dialogue (public-public and public-private) at the country level. Several recognized the role of trade in driving economic growth and commended the tool's unique and practical approach to link SPS investments to trade impacts, and to clarify the costs and returns of investments in SPS capacity building. Partners emphasized the importance of sector-specific capacity evaluation tools to provide an in-depth identification of capacity building needs in the areas of animal and plant health and food safety. The SPS decision support tool will be finalized into a practical and easy-to-use guide in 2014.

1.3. At the Fourth Global Review of Aid for Trade in July 2013, the STDF, in collaboration with Canada and the Netherlands, held a well-attended side-event on SPS-related Public Private Partnerships (PPPs) in a Value Chain Context. Relevant work of the Canadian North-South Institute (NSI) and the STDF, including specific examples of PPPs aiming to help developing countries connect to value chains, was presented. Six panellists and participants from the public and private sector discussed the main challenges and obstacles encountered in developing and implementing PPPs in value chains, and identified a number of lessons learned. There was general consensus among discussants that permanent dialogue and transparency are critical to ensure the long term sustainability of these innovative approaches, which can be instrumental in including smallholders in agricultural value chains.

1.4. The STDF initiated practical research work in selected countries in Africa and Asia, in collaboration with relevant partners and other international and regional organizations, on the interface and linkages between SPS and Trade Facilitation. This work aims to identify, analyse and foster dialogue on experiences, lessons learned and good practices to improve the implementation of SPS controls in a way that facilitates safe trade, while minimizing SPS transaction costs. Preparations were made to present the preliminary results of this work in a thematic session on the margins of the SPS Committee on 26 March 2014.

1.5. Two STDF Working Group meetings were held (March and October), at which participants shared information and experiences. The Secretariat kept the STDF website and Virtual Library up-to-date. It also initiated major work on revamping the current website by converting it into a content management system and incorporating new technology and more functionality to improve overall user experience and strengthen the STDF as a knowledge platform. This work will be completed in 2014.

1.6. The Secretariat, partners, donors, beneficiaries and other interested organizations continued to disseminate STDF briefing notes and publications highlighting good practice on a range of cross-cutting thematic topics for purposes of planning and implementation of activities, training, awareness raising, etc. This included materials on the use of economic analysis to inform SPS-decision making, SPS risks and climate change, public-private partnerships to build SPS capacity, regional and national SPS coordination mechanisms, SPS needs assessments tools, etc. Good collaboration was pursued with the Enhanced Integrated Framework (EIF) Secretariat in the preparation of Diagnostic Trade Integration Studies (DTIS) and project development.

1.7. The Secretariat received a variety of proposals and ideas for projects ranging from one-page concept notes to fully-fledged project documents, which were discussed with partners and beneficiaries. Officially, the Secretariat received and reviewed 20 applications for project preparation grants (PPGs), all benefiting Least-developed Countries (LDCs), and 15 project applications for consideration of the Working Group. Throughout the year, the STDF also continued to support the development of 11 projects, and monitored the implementation of 27 projects, assisting 48 developing countries in improving their human, animal and plant health situation and ability to gain and maintain market access. Close to 50% of the projects were regional in scope, while two projects were classified as global (i.e. benefiting all developing countries). In 2013, 100% of resources granted for PPGs and 30% for projects benefited LDCs and other low income countries (OLICs). Since its inception, 54% of STDF's project and PPG resources have benefited LDCs and OLICs.<sup>1</sup>

1.8. Seven STDF-funded projects were completed and achieved good results. In Nigeria, an effective aflatoxin control system for sesame seeds exports and an effective free fatty acid and impurities control system for sheanut butter exports was established. In Ghana, the STDF supported the development of an innovative student-centred e-learning curriculum on food safety and quality standards. At the regional level, seventeen higher agriculture programs in universities and colleges in nine African countries were invited to take advantage of the course materials free of charge. The five largest cocoa producing countries in West Africa were assisted in enhancing awareness about the importance of addressing increasingly stringent SPS requirements of importing countries. The project also addressed the issue of cross-border illegal circulation of banned or counterfeited pesticides.

1.9. In Honduras, SPS management was strengthened through training and awareness raising activities and creation of an SPS online information system. In Ecuador, a national integrated control programme for residues of contaminants (pesticides and mycotoxins) was developed for two pilot export products: broccoli and coffee. In Colombia, the Food Safety Risk Assessment Unit was strengthened, including development of science-based procedures for risk assessment based on international standards and guidelines and creation of a network of trained experts and a knowledge base to support risk managers in decision-making. The country also enhanced its participation in Codex work. Finally, the industry in Thailand and Vietnam benefited from development of training materials targeted at food safety compliance in the fresh and processed fruits and vegetables sectors. Websites were launched to disseminate localized educational content to stakeholders as open educational resources.

1.10. An independent review of the STDF, covering the period 2009-2013, was undertaken in the second half of 2013 by Saana Consulting against the OECD evaluation criteria — relevance, effectiveness, efficiency, sustainability and impact. The STDF scored well on all counts. The review states that "the results are impressive and a testament to the effective operation of the STDF". Its role in coordinating assistance projects was also praised as "significant value added" and the performance of the Secretariat was rated as "efficient and cost effective". STDF projects were considered to be "highly relevant to the needs of the beneficiaries and to the policies of partners and donors". Recommendations on how to further strengthen the operation of the STDF will be discussed by members in 2014.

1.11. The demand on the Secretariat's services in terms of facilitating coordination activities, preparing STDF events, responding to information requests, participating in selected external meetings and training workshops, project development, review, implementation and evaluation etc., continued to be very high. The STDF mid-term review recommended that the Secretariat's resources be strengthened with the appointment of two additional full time staff members to address the current heavy workload.

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<sup>1</sup> The STDF continued to meet its target to dedicate at least 40% of its project and PPG resources to LDCs and OLICs.

## 1 INTRODUCTION

1.1. The STDF supports developing countries in building their capacity to implement international SPS standards, guidelines and recommendations as a means to improve their human, animal and plant health status and ability to gain or maintain access to markets. By improving the SPS capacity in developing countries the STDF aims to contribute to sustainable economic growth, poverty reduction, food security and environmental protection. To this effect, and in accordance with its medium-term strategy (2012-2016)<sup>2</sup>, the STDF pursues the following three strategic results in a coordinated and mutually reinforcing manner:

- a. Enhanced collaboration on SPS-related technical co-operation;
- b. Improved capacity of beneficiaries to identify and prioritize SPS needs and formulate project proposals that are able to secure funding from STDF or external funding sources; and
- c. Improved performance of beneficiaries of STDF funded projects.

1.2. This report provides an overview of the results achieved by the STDF in 2013 in the broader context of its medium-term strategy (2012-2016). At the outset, it should be noted that the Secretariat did not conduct the annual survey to assess if and how STDF's work contributed to achieving the aforementioned three results. Conducting the survey was considered not opportune, as the formulation of the results and the indicators are likely to change as a result of STDF's mid-term review.

1.3. This report is structured as follows. Chapter 1 is the introduction. Chapters 2 to 4 report on the implementation of activities under each of the three strategic result areas, followed by a conclusion. Chapter 5 contains information on the independent mid-term review of the STDF carried out during the second half of the year. Chapter 6 provides information on STDF's funding and staffing levels. The annex includes an overview of STDF's operating budget in 2013.

## 2 ENHANCED COLLABORATION ON SPS-RELATED TECHNICAL COOPERATION

### 2.1 International Trade and Invasive Alien Species

2.1. In collaboration with the IPPC and OIE, STDF's publication on International Trade and Invasive Alien Species (IAS) was presented on the margins of the WTO SPS Committee meeting on 27 June 2013. A first draft of this study was prepared for the STDF seminar on this topic, held in July 2012, and was then revised based on the discussions and conclusions of the seminar. The study reviews and analyses key concepts and principles relevant to IAS and international trade in the context of the SPS Agreement and the Convention on Biological Diversity (CBD). It also considers various initiatives to enhance capacity for managing the entry and spread of IAS, reviews common challenges and good practices, and makes a number of targeted recommendations.

2.2. The study highlights in particular that national SPS systems are well equipped to deal with the vast majority of trade-related IAS (including through border control, quarantine measures, risk assessments, control and eradication measures). Better collaboration between environmental and SPS agencies at country level could lead to a more efficient use of resources, notably in developing countries where resources are scant and needs are manifold. Development assistance and national budget allocations aimed at protecting biodiversity can be advantageously used to bridge the gap in SPS capacity.

2.3. Translations of the publication in French and Spanish were initiated and will be available in the first quarter of 2014. The study, the translations, as well as more information on this STDF work are available on the STDF website ([www.standardsfacility.org/en/TAIAS.htm](http://www.standardsfacility.org/en/TAIAS.htm)).

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<sup>2</sup> As adopted by the STDF Policy Committee on 10 January 2012 (document STDF 367).

## 2.2 Improving SPS decision-making for market access

2.4. The STDF continued its work on the use of Multi Criteria Decision Analysis (MCDA) to inform decision-making on SPS capacity building for market access. With support from STDF, a decision support tool has been developed that can help to: (i) enhance the economic efficiency of public, private and/or donor resource allocation decisions so that scarce resources are allocated in a manner that best meets a country's economic development, poverty alleviation, public health and/or other objectives; (ii) promote more transparent and accountable choices between multiple investment options; and (iii) facilitate dialogue and coordination among public and private sector stakeholders and encourage more inclusive decision-making processes.

2.5. On 24-25 June 2013, the STDF organized a workshop on the use of the tool. The workshop was attended by 44 participants, representing STDF partners, donors, developing country experts, observer organizations, and notably beneficiaries who have applied the tool. The objective of the workshop was to take stock of experiences and lessons learned from countries where the tool has been used, identify and agree on concrete options to further improve the tool and its practical application, and identify recommendations for future work, including the development of synergies with related work of STDF partners. Out of 24 respondents to a feedback survey, 94% of the participants considered the workshop to be useful or very useful, and found that its objectives were met (significantly exceeding the 70% target).

2.6. To facilitate an informed discussion, the first day of the workshop comprised an introduction to, and discussion of, the individual steps involved in the tool, including the features of MCDA and the use of the D-Sight computer software. The second day included presentations from experts from developing countries where the framework has been used, as well as interventions from STDF partners (FAO/IPPC and OIE) focused on possible complementarities between the tool and other related work. The workshop programme, presentations and a summary report of the workshop are available on the STDF website (<http://www.standardsfacility.org/en/TAEcoAnalysis.htm>).

2.7. Recommendations from the workshop included: (i) clarify the scope of the tool; (ii) revise the existing user guide to make it more user-friendly, including through the incorporation of country case studies and examples; (iii) select and train a group of neutral facilitators in developing countries/regions; (iv) promote greater use of the tool as part of national/regional planning and priority-setting processes within the Comprehensive Africa Agriculture Development Programme (CAADP); and (v) monitor and evaluate the on-going use of the tool to learn from and disseminate the experiences and lessons.

2.8. In October, the Working Group reflected on the conclusions and recommendations of the workshop and agreed to revise and finalize the existing user guide to clarify its scope and put it into a more user friendly format (as part of STDF's 2014 Work Plan). More information on the MCDA tool, including previous STDF events and publications, is available on the STDF website (<http://www.standardsfacility.org/en/TAEcoAnalysis.htm>).

## 2.3 Public-private partnerships in a value chain context

2.9. The Fourth Global Review of Aid for Trade was held at the WTO from 8-10 July 2013. The aim of the review was to examine strategies to connect developing country and least-developed country (LDC) firms to international value chains. The STDF, in collaboration with Canada and the Netherlands, held a successful side-event entitled "Public Private Partnerships in a Value Chain Context". The objective was to present work done by the Canadian North-South Institute (NSI) and the STDF on SPS-related Public-Private Partnerships (PPPs) and to foster dialogue among public and private sector experts on key lessons learned in this area through a panel discussion<sup>3</sup>.

2.10. The panellists addressed in particular the following key questions: (i) what is the role and potential of PPPs in helping developing countries connect to value chains? What have been the experiences, challenges, innovations and results?; (ii) What role can and should different types of

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<sup>3</sup> The panel was composed by: (i) Frans Claassen, Product Board for Margarine, Fats and Oils (MVO), The Netherlands; (ii) Sarada De Silva, Sri Lanka Spice Council; (iii) Samy Lopez, Federation of Cooperatives of the Verapaces (FEDECOVERA), Guatemala; (iv) Esteban Rial, Patagonian Zoo-Phytosanitary Barrier Foundation (FUNBAPA), Argentina; (v) Mike Robach, Corporate Food Safety & Regulatory Affairs, Cargill; and (vi) Guy Stinglhamber, PIP/COLEACP Programme.



stakeholders (governments, private sector, development partners, etc.) play in facilitating PPPs in the context of connecting to value chains?; and (iii) How can the longer-term sustainability of PPPs that seek the inclusion of smallholders in agricultural value chains be ensured?

2.11. There was agreement that partnerships can be successful in solving specific market access challenges, strengthen cooperation and market understanding between all relevant stakeholders in the value chain. Key findings of the discussions highlighted the importance of: (i) building trust between partners to ensure that high levels of food safety, animal and/or plant health requirements do not become hidden trade barriers; (ii) ensuring permanent dialogue among partners and of measuring and communicating results and achievements regularly; (iii) training and education, which is crucial to the inclusion of smallholders in agricultural value chains. Participants also considered that national governments have an important role to play in providing the necessary governance, market policy and local support. Governments, however, should not venture into or assume the role of the private sector to engage in trade.

2.12. The session was attended by approximately 60 participants. Out of these, 15 respondents completed a feedback survey, all rating the workshop as "excellent" or "good". More information on the side-event can be found on the STDF website (<http://www.standardsfacility.org/en/TAidForTrade4GR.htm>).

## **2.4 Implementing SPS measures to facilitate safe trade**

2.13. The STDF initiated and contracted research work in Africa and Asia, in collaboration with relevant partners and regional organizations, on the interface and linkages between SPS and trade facilitation. The objective of this work is to identify, analyse and foster dialogue on experiences, lessons learned and good practices to improve the implementation of SPS controls in a way that facilitates safe trade, while minimizing SPS transaction costs. More specifically, it examines the SPS controls applied to selected agri-food products (e.g. specific field crops, fruit, vegetables, meat products, fisheries) by selected exporting and importing countries, and how they are implemented in practice. It is targeted at policy-makers and practitioners in SPS and trade facilitation authorities including customs and private traders.

2.14. Preparations were also made for the organization of a half-day thematic session on this topic on 26 March 2014 (on the margins of the SPS Committee meeting) to present and discuss the preliminary results of this work. This will include a presentation on similar work undertaken in Latin America by the Inter-American Development bank (IDB). The country and regional reports will be finalized by mid-2014 and disseminated through STDF's network. More information on STDF's work on the interface between SPS and Trade Facilitation can be found on the website (<http://www.standardsfacility.org/en/TATradeFacilitation.htm>).

## **2.5 Information dissemination**

### **2.5.1 STDF Working Group**

2.15. Two Working Group meetings were organized back-to-back with the SPS Committee meetings in Geneva on 18-19 March and on 15-16 October 2013. Each meeting was attended by an average of 45 participants, and chaired by Mr Lars Børresen, First Secretary at the Permanent Mission of Norway to the WTO. Each meeting lasted two days and saw active participation from partners, donors, developing country experts and other interested organizations observing the meetings. Input and oversight of STDF's activities, as well as project review and approval, took up a significant portion of the meetings. The Secretariat also facilitated various presentations on specific SPS-related programmes and topics of interest to the Working Group (see Table 1). Summary reports of the meetings are available on STDF's website (<http://www.standardsfacility.org/en/AUDocsWorkingGroup.htm>).

**Table 1: Presentations made to the STDF Working Group in 2013**

Working Group	Presenter/organization	Title
March	Roger Day - Centre for Agricultural Bioscience International (CABI)	SPS-related capacity building assistance by CABI to strengthen SPS systems in developing countries
March	Jessica Mahalingappa - United States Department of Agriculture (USDA)	Activities of the International Technical and Regulatory Capacity Building (ITRCB) programme
March	Linda Fulponi - Organisation for Economic Cooperation and Development (OECD)	Studies: (i) Estimating the constraints to agricultural trade of developing countries; and (ii) Measuring Costs and Benefits of Non-Tariff Measures in Agri-Food
March	Philippe Steinmetz - French Agency for Development (AFD)	SPS-related capacity building and market access assistance offered by AFD.
October	Tea Trumbic - World Bank	Benchmarking the Business of Agriculture (BBA) project, including SPS indicators
October	Poonam Mohun - International Trade Centre (ITC)	ITC's Non-Tariff Measures (NTM) programme and results achieved to date

### 2.5.2 STDF website

2.16. The STDF website was kept up-to-date and continued to be well-visited. The number of visitors to the website grew 3% in 2013, compared to the previous year, which corresponds to an average growth rate of 30% per year since 2011 (see table 2). In addition, the number of visits to the website has experienced an average growth rate of 23%, the number of hits 41% and the Kbytes transferred from the website have had a linear trend growth rate of 26% per year since 2011.

**Table 2: Website statistics**

	2011	2012	2013
Number of Visitors	42,599	69,367	71,728
Number of Visits	145,617	236,119	220,064
Number of Hits	984,577	1,714,666	1,965,936
Kbytes transferred	165,348,248	243,544,205	263,339,373

2.17. Work begun on revamping the STDF website by converting it into a content management system (Drupal). This new system will allow the Secretariat to more easily publish, edit and modify content. The new website will also incorporate new technology to allow for more functionality as well as to improve overall user experience. The new STDF website was scheduled to be completed by the end of 2013. Unfortunately, the project encountered delays and is expected to be launched in the second quarter of 2014.

### 2.5.3 STDF Virtual Library

2.18. The STDF Virtual Library was also kept up-to-date. Relevant SPS-related documentation (final project reports, SPS needs assessments, final and impact evaluations, cost-benefit analysis studies, as well as other research papers and articles) received/collected by the Secretariat was integrated into the system. Lists of new documents were shared with the Working Group in March and October. A new version of the Library was integrated into the new STDF website, allowing for better document management and search options.

2.19. At present, costs and human resources to maintain the Library are minimal. The Secretariat integrates new documents, if and when received. In October, the Working Group discussed ideas on how to generate more relevant SPS-related documentation from members and other sources. Members generally agreed to promote the Library and encourage other organizations, technical assistance providers, research institutions, etc. to submit relevant documentation to the

Secretariat ([STDFSecretariat@wto.org](mailto:STDFSecretariat@wto.org)). The Secretariat agreed to prepare a two-page STDF briefing note on the usefulness and benefits of sharing SPS information, including through the Library.

#### 2.5.4 Electronic distribution of STDF news

2.20. The Secretariat uses MailChimp, an email marketing service provider, to design and distribute electronic newsletters. In 2013, e-newsletters were prepared and circulated in May to 975 subscribers and in December to 984 subscribers.<sup>4</sup> The new tool was also used to share information on STDF activities on three additional occasions. The tool allowed the Secretariat to undertake further analysis on the geographical distribution of the subscribers as well as open and click rates.

2.21. According to IP addresses, the STDF mailing list has subscribers from 128 different countries and scores high in comparison to average mailing list from non-profit organizations in terms of unique open rates and unique click rates. On average, STDF newsletters have an open rate of 45% versus the industry average of 22%, and have a unique click rate of 11% versus the industry average of 2.6%. This means that 45% of total recipients on average opened the actual email and 11% of recipients, clicked on one of the multiple links. These figures are estimates and are not 100% accurate.

#### 2.5.5 Collaboration with the Enhanced Integrated Framework

2.22. Collaboration with the Enhanced Integrated Framework (EIF) in the preparation, validation and update of Diagnostic Trade Integration Studies (DTIS) ("Tier 1") and project development ("Tier 2") is important to STDF's coordination role and the achievement of STDF's target to devote at least 40% of project grant resources to LDCs and other Low Income Countries (OLICs). Table 3 below provides an overview of draft DTIS documents reviewed by the Secretariat. Comments on their SPS-related chapters were forwarded (via the WTO as EIF partner) to the EIF Secretariat:

**Table 3: STDF comments on DTIS documents in 2013**

Month	Country	Document
January	The Gambia	DTIS update report
March	Malawi	DTIS update concept note
July	Senegal	DTIS update report
August	Liberia	DTIS update concept note
August	South Sudan	DTIS concept note
August	Burkina Faso	DTIS update concept note
September	Sierra Leone	DTIS update report
October	Bangladesh	DTIS update report
November	Mozambique	DTIS update concept note
December	Benin	DTIS update concept note

2.23. The Secretariat also provided comments on the SPS components of the following Tier II project proposals:

<sup>4</sup> For subscriptions to the STDF mailing list, see: <http://www.standardsfacility.org/en/ContactUs.htm>. The newsletters can also be viewed at: <http://www.standardsfacility.org/en/IRNewsletters.htm>.

- Lao PDR: Strengthening National Quality Infrastructure and Industrial Statistics in the Lao PDR (February)
- Guinea: Projet plateforme logistique de conservation et de commercialisation de mangues et d'agrumes à Kankan (April)
- Togo: projet de renforcement des capacités productives et commerciales de la filière soja au Togo (November)
- Comoros: Amélioration de la compétitivité des exportations des filières vanille, d'ylang ylang et girofle (December)

### 2.5.6 Engagement with other organizations and initiatives

2.24. The STDF reported on its operations to the WTO SPS Committee in March, June and October and reference was made to the STDF in the Committee's annual report. In October, the STDF participated and moderated a session of the WTO Workshop on SPS-related Market Access Challenges and Opportunities. The STDF also presented at a Workshop on the Effects of Non-Tariff Measures (NTMs) on the Export of Small Economies, organized by the WTO Committee on Trade and Development (October).

2.25. The STDF participated in two WTO regional training seminars on the SPS Agreement, namely for: (i) French-speaking African countries (24-27 September, Libreville-Gabon); and (ii) Arab countries (4-7 November, Abu Dhabi, United Arab Emirates). The STDF also provided training to participants in the WTO Advanced Trade Policy Courses (January and May) and in the WTO Advanced Course on SPS (October).

2.26. The STDF reported on its operations to the 7th Session of the Commission on Phytosanitary Measures (CPM) in Rome (8-12 April) and presented at a CPM side-event on "Trade Facilitation Procedures", drawing attention to the WTO negotiations, the programme on Trade Facilitation needs assessments and STDF's planned work in this area. The STDF participated actively in the second and the third meeting of the IPPC Capacity Development Committee (CDC) in Kuala Lumpur, Malaysia (27-31 May) and in Bari, Italy (25-29 October).

2.27. The STDF reported to the 81th OIE General Session in Paris (26-31 May) and the 36rd Session of the Codex Alimentarius Commission in Rome (1-5 July).

2.28. The STDF also participated in other selected external events to share information, disseminate experiences and foster collaboration and coherence in the development and implementation of SPS-related technical cooperation (see table 4 below)<sup>5</sup>. Where possible, other meetings were organized on the margins of these events, for instance to meet with donors and other relevant organizations.

**Table 4: Overview of events in which STDF participated in 2013**

Date	Organization	Subject	Place
6-7 May	EAC-COMESA-SADC	Third Meeting of the Tripartite Technical Working Group on TBT, SPS and NTBs	Kigali, Rwanda
21-23 May	COMESA	Workshop on SPS and Trade Facilitation (STDF/PPG/342)	Nairobi, Kenya
27-28 June	CABI	18th CABI Review Conference	Oxford, UK
25-26 July	COMESA	Fifth Meeting of the COMESA	Kampala, Uganda

<sup>5</sup> Decisions to participate in external events were made in accordance with the criteria outlined in paragraph 17 of the STDF Operational Rules.

		Regional SPS Sub-Committee	
23-26 July	SADC	Fourth Meeting of the SADC SPS Coordinating Committee	Centurion, South Africa
8-10 October	European and Mediterranean Plant Protection Organization (EPPO), International Union for Conservation of Nature (IUCN)	International Workshop on how to Communicate on Pests and Invasive Alien Plants	Oeiras, Portugal
24-25 November	Asian Development Bank (ADB), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)	Brainstorming Meeting on SPS Priorities and Challenges for South Asia Sub-regional Economic Cooperation (SASEC) Member Countries	Bangkok, Thailand

## 2.6 Conclusion on enhanced collaboration in SPS-related technical cooperation

2.29. The STDF continued to raise awareness, mobilize resources and disseminate good practice on several STDF thematic topics, leading to increased coordination and coherence in the development and implementation of SPS projects and programmes. Information was distributed upon request, in Working Groups, reporting to partners and through Secretariat participation in several WTO training workshops and other selected external events. Topics included: (i) public-private partnerships to build SPS capacity; (ii) national SPS coordination mechanisms; (iii) economic analysis to inform SPS decision-making, including MCDA; (iv) international trade and invasive alien species; and (vi) implementing SPS measures in the context of trade facilitation.

2.30. Successful and high-rated STDF events were organized on SPS decision-making for market access (using MCDA), international trade and invasive alien species (on the margins of the SPS Committee) and on Public Private Partnerships in a Value Chain Context (at the Fourth Global Review of Aid for Trade). The STDF film "Trading Safely" continued to be widely distributed in six languages. The current STDF website was well visited. A further increase in information downloaded was observed.

2.31. Good progress was made in efforts to further strengthen the STDF as a knowledge platform for information exchange, sharing experiences and identification and dissemination of good practice. In particular, the new STDF website (to be launched in 2014) will feature significant improvements notably enhanced search facilities for project grants, specific project webpages highlighting results and lessons learned, a holistic integration with the Virtual Library and a more interactive interface. The new website will also feature Google analytics, which will be useful in receiving constant feedback on the website.

2.32. The Secretariat has indications that some partners, donors, developing country experts and other relevant observer organizations used and disseminated STDF tools and good practice briefing notes. There are also indications that members and/or other relevant organizations initiated joint activities (facilitated through their involvement in the STDF). However, the extent to which this has happened could not be measured, as the Secretariat did not carry out the annual survey of development partners. The formulation of STDF's strategic result areas and notably the indicators are likely to change as a result of STDF's mid-term review.

2.33. Some activities in the 2013 Work Plan could not be implemented due to various reasons, including staffing limitations. Preparations for the work on SPS and Trade Facilitation took longer than expected, and outputs will be delivered in the first half of 2014. Work on the proposed study on the impact of trade-related food safety projects on domestic health could not be initiated, as members did not provide examples of specific projects or programmes to consider. Although members agreed on the importance of this topic, it was not selected as a top priority for 2014.

Finally, the Working Group decided not to organize a regional workshop on SPS-decision making (using MCDA) in Latin America and the Caribbean, but instead to focus on improving the existing guidelines. Discussions in this regard took place at the Geneva workshop in June 2013.

### 3 IMPROVED CAPACITY OF BENEFICIARIES TO IDENTIFY AND PRIORITIZE SPS NEEDS AND FORMULATE PROJECT PROPOSALS THAT ARE ABLE TO SECURE FUNDING FROM STDF OR EXTERNAL FUNDING SOURCES

3.1. The STDF provides advice to beneficiaries on SPS-related project development including on, *inter alia*, the identification of SPS needs and priorities, public and private stakeholder participation, complementarity and reinforcement of development efforts undertaken by partners, donors and other relevant organizations, sustainability issues, etc. In 2013, a wide variety of proposals and ideas for projects were received and discussed with partners and potential beneficiaries, ranging from one-page concept notes to fully-fledged project documents. In line with STDF's new strategy, continuous efforts were made to link this work with the conclusions, recommendations and lessons learned generated in other areas of STDF's work.

#### 3.1 Formulation, review and implementation of Project Preparation Grants

3.2. Project preparation grants (PPGs) are an important mechanism in the STDF to help beneficiaries translate good ideas into concrete projects. In 2013, the STDF received 20 official PPG applications. Of these, nine were tabled for consideration by the Working Group. Of these, eight applications (all benefiting LDCs) were approved for funding (see table 5). Four applications were regional in scope.

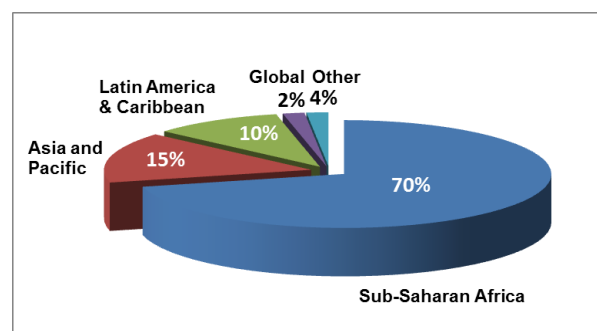
**Table 5: PPGs approved in 2013**

PPG Number and Title	Beneficiary	LDC / OLIC	STDF funding (US\$)
STDF/PPG/379: Promoting the effective participation of SADC member states in the WTO SPS Committee	SADC member states	LDC	US\$50,000
STDF/PPG/392: Integrating SPS in Sierra Leone: A whole chain approach to developing the national food safety management system	Sierra Leone	LDC	US\$39,000
STDF/PPG/404: Developing virus indexing capacity for planting materials in Malawi	Malawi	LDC	US\$41,096
STDF/PPG/428: Trade and Improved Livelihoods in Aquatic Production in Africa (TILAPIA)	African countries	LDC	US\$50,000
STDF/PPG/432: Information systems for surveillance and pest reporting in Asia Pacific countries	Asia Pacific countries	LDC	US\$49,990
STDF/PPG/435: Strengthening SPS compliance of sesame production in Sudan for enhanced access to international markets	Sudan	LDC	US\$50,000
STDF/PPG/453: Building capacity and facilitating enabling mechanisms for harmonizing Aquaculture Certification	ASEAN member states	LDC	US\$48,000
STDF/PPG/462: Operationalization of the Scientific Affairs and Food Control Directorates of the newly established Food Safety and Quality authority	The Gambia	LDC	US\$50,000
<b>TOTAL</b>			<b>US\$378,086</b>

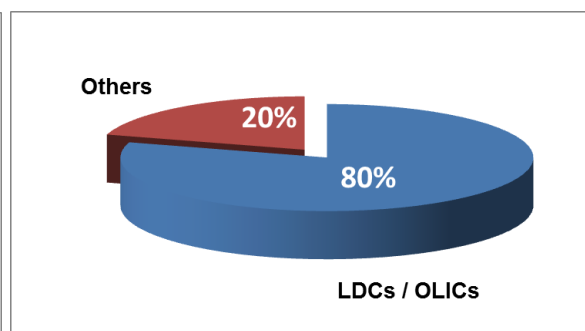
3.3. Six PPGs were contracted and started implementation in 2013, totalling US\$268,966, which is higher than what was estimated in the annual Work Plan (i.e. 4 PPGs totalling US\$200,000). Figure 1 shows the breakdown of the number of PPGs implemented by the STDF since its inception by region. In terms of project development, 70% was undertaken in Africa, 15% in Asia and Pacific, 10% in Latin America and the Caribbean.

3.4. Since its inception, the STDF has dedicated 80% of its resources for project development to LDCs and other Low Income Countries (OLICs) (Figure 2).

**Figure 1: STDF PPGs (number)**



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



3.5. Table 6 below lists the PPGs that were completed in 2013:

**Table 6: PPGs completed in 2013**

PPG Number:	Title:	Outcome:
STDF/PPG/346	Feasibility study on the concept of the COMESA Green Pass	Legal study conducted by FAO. Project preparation workshop held and project developed (with support from CABI).  Decision by Working Group in March 2014
STDF/PPG/400	Capacity building for aflatoxin management and control in Malawi	Malawi Aflatoxin Control Programme (MAPAC) developed. Final report available on <a href="#">STDF website</a>

### 3.2 Formulation and review of project applications

3.6. In 2013, the STDF officially received 15 project applications. Of these, eight were tabled for consideration by the Working Group. Of these, four applications were approved for funding, totalling US\$3,488,440 in STDF funding (see Table 7). Three of these projects are regional in scope. Approval by the Working Group was in several instances preceded by in-depth consultations between the Secretariat, partners and the applicants to improve the design and quality of the proposals.

**Table 7: Projects approved in 2013**

Project Number and Title	Beneficiary	STDF funding (US\$)
STDF/PG/303: Regional Total Diet Study for Sub-Saharan Africa	Benin, Cameroon, Nigeria, Mali	US\$1,063,708
STDF/PG/316: Strengthening phytosanitary inspection	Azerbaijan	US\$1,000,000

and diagnostic services in Azerbaijan		
STDF/PG/345: Feed and Food Security Programme for Latin America and the Caribbean	Argentina, Brazil, Chile, Costa Rica, Mexico, Paraguay, Peru, Uruguay	US\$1,050,566
STDF/PG/436: Strengthening regional capacity in Latin America to meet pesticides export requirements	Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru	US\$374,166
<b>TOTAL</b>		<b>US\$3,488,440</b>

3.7. Five projects were contracted and started implementation in 2013, totalling US\$2,651,847, which is slightly higher than what was estimated in the annual Work Plan (i.e. 4 projects totalling US\$2.6 million).

### **3.3 Conclusion on improved capacity of beneficiaries to identify and prioritize SPS needs and formulate project proposals that are able to secure funding from STDF or external funding sources**

3.8. According to the STDF mid-term review, the STDF is very successful in the area of projects that consistently show good results. One important factor contributing to this success is thorough project design and scrutiny of applications. In particular, the STDF review highlighted the significant value of the support provided through STDF to applicants in project design and formulation, as it builds local institutional capacity and technical competence. Hence, members should continue to highlight the usefulness and benefits of PPGs (including the application of SPS capacity evaluation tools and/or the conduct of feasibility studies).

3.9. In 2013, the STDF met its targets and approved eight (out of 20) PPG applications. This is an increase compared to 2012 (three out of 22) and an encouraging development. Four PPGs were regional in scope. In addition, fifteen applications for projects were received and reviewed. Four projects were accepted for funding. All these projects were relevant to the identification, development and dissemination of good practice in SPS technical co-operation (i.e. developing/applying innovative and replicable approaches) and linked to previous/ongoing STDF thematic work. Moreover, three projects were regional in scope.

3.10. The demand on the Secretariat in terms of providing advice to beneficiaries on project development issues and reviewing applications remained very high. Without additional staff, this will become a constraint in the near future. Moreover, the STDF may not have sufficient funding available to finance all the projects resulting from PPGs. Its annual budget is limited to US\$5 million. Hence, donors should consider if and to what extent they would be able to (co-)fund projects.

## **4 IMPROVED CAPACITY OF BENEFICIARIES OF STDF-FUNDED PROJECTS TO ANALYSE AND IMPLEMENT INTERNATIONAL SPS REQUIREMENTS**

### **4.1 Implementation of project grants**

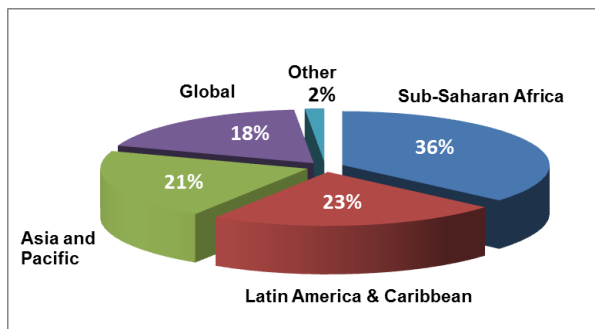
4.1. In 2013, five projects started implementation. The Secretariat participated in two inception workshops: (i) project STDF/PG/321 (Building trade capacity of small-scale shrimp and prawn farmers in Bangladesh), implemented by FAO and the Department of Fisheries; and (ii) project STDF/PG/242 ("Strategy to strengthen the SPS system in Comoros"), implemented by UNDP in cooperation with the Ministry of Agriculture, FAO, ITC and WHO.



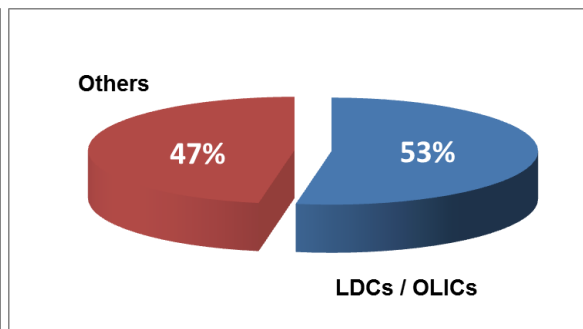
4.2. By the end of 2013, 16 projects were at various stages of implementation. Since its inception, the STDF has approved a total of 66 projects for funding. Figure 3 below indicates that 36% of those projects have been awarded to Sub-Saharan Africa, 23% to Latin America and the Caribbean and 21% to Asia and Pacific. In addition, 18% of projects can be classified as global.

4.3. Figure 4 below indicates that since its inception the STDF has dedicated 53% of its resources available for projects benefiting LDCs and other Low Income Countries (OLICs). Since its inception the STDF has consistently met its target to devote at least 40% of its resources available for project and PPG implementation to LDCs and OLICs.<sup>6</sup>

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



**Figure 4: STDF Projects (US\$)**



## 4.2 Projects completed in 2013

4.4. The following seven projects were completed in 2013:

- STDF/PG/172: Expanding exports of sesame seeds and sheanut butter in Nigeria.* This project, implemented by the Nigeria Export Promotion Council (NEPC) and supervised by ITC, developed an effective aflatoxin control system for sesame seeds exports and an effective free fatty acid and impurities control system for sheanut butter exports in the country. These systems provided also quality control for other stored cereals and pulsed for its export and local consumption. The project was implemented from October 2010 to December 2013. All planned activities were performed and project objectives were successfully achieved. Among the project's main achievements are the installation of processing equipment, including driers and storage silos, in eight strategic pilot production sites and the establishment of a HACCP and traceability systems within the shea nut and sesame seed production and supply chains. Relevant technical manuals and guidelines were produced and training to producers, traders, exporters and standard enforcement officers was conducted. The project achieved consensual adherence of private sector beneficiaries and local governments, and helped in building up effective partnerships in the country. Local governments invested their own resources to build shelters and provide other facilities (around US\$25,000 per site) and NEPC largely exceeded the agreed national contribution, since invested around US\$180,000 (which corresponds to 45% of the STDF contribution) in the project.
- STDF/PG/284: Strengthening the National SPS Committee of Honduras.* The objective of this project was to strengthen the institutional framework of the National SPS Committee of Honduras, streamline its management and develop a national experience transferable to other developing countries, particularly OIRSA member countries. The project was implemented by the Organismo Internacional Regional de Sanidad Agropecuaria (OIRSA) from July 2010 to February 2013, in collaboration with the National Agricultural Health Service (SENASA) of the Secretariat of Agriculture and Livestock (SAG). Among the project's main results are: i) Technical Secretariat of the Committee established and national budget allocated for its functioning; ii) National SPS Agenda, formulated in 2007, implemented; iii) National SPS Policy developed and adopted; iv) training and awareness raising activities for public and private sectors conducted; v) national SPS online information system developed; vi) studies on economic analysis of SPS implementation

<sup>6</sup> Since its inception, the STDF has dedicated 54% of its resources for project and PPGs benefiting LDCs and OLICs.

and on the evaluation of the competitiveness of SPS compliance carried out; and vii) draft proposals for a national SPS curriculum, for animal health and plant health regulations updates and for the establishment of an SPS risk analysis unit developed. SENASA and OIRSA will follow-up on project results.

- *STDF/PG/298: Mitigating the harmful effects of pesticide residues in cocoa in Africa.* This project was implemented by the International Cocoa Organization (ICCO) from January 2011 to 31 December 2013. The project was envisaged as programme of around US\$ 5 million, to which STDF contributed about US\$ 600,000 that was directed towards the five largest cocoa producing countries in Africa (Cameroon, Côte d'Ivoire, Ghana, Nigeria and Togo). Matching funds were secured mainly from EDES/COLEACP and the industry (Croplife). The project aimed to maintain market access for cocoa beans from Africa through SPS capacity building mainly in view of recent changes of importing country regulations introducing more stringent SPS requirements. Although the project did not achieve all the planned outcomes due to implementation challenges encountered in some participating countries, the most significant achievement of the project is by and large the fact that it created awareness at various levels in the participating countries about the need to address SPS challenges and to participate effectively in international regulatory frameworks (standard-setting and SPS Committee). By doing so, it triggered several other interventions in this area and served as a coordinating "platform" for them as well as a cooperation platform for neighbouring countries mainly with regard of cross-border illegal circulation of banned or counterfeited pesticides. In particular, the project developed a number of training materials on pesticide use, Good Agriculture Practices, Good Warehousing Practices, Self-assessment guide for food safety and quality practices.
- *STDF/PG/300: E-learning curriculum and web-based information system for food standards in Ghana.* The Project, implemented by the University of Cape Coast in Ghana, in collaboration with the FAO and GIZ, aimed to enhance the capacity of food quality and safety systems through the provision of better qualified young professionals for government administration, research and extension, and food companies. Towards this goal, the project has developed an innovative student-centred e-learning curriculum on food safety and quality standards that is available on Moodle on the internet. The curriculum also contains materials adapted for practitioners. At the national level, four other public universities - University of Ghana, Kwame Nkrumah University of Science and Technology, University for Development Studies, and University of Education, Winneba (Mampong Campus) have participated in the program and intend to use the materials for the benefit of their students. A sensitization workshop to expose students to project activities and to build their competencies in the use of the Moodle platform has been completed for over 300 students. At the regional level, seventeen higher agriculture programs in Universities and Colleges in nine African countries under the auspices of the Sasakawa Africa Fund for Extension Education (SAFE) have been invited to take advantage of the e-learning course materials free of charge.
- *STDF/PG/318: National programme for the monitoring and management of contaminants in export products in Ecuador.* This project, implemented by the Inter-American Institute for Cooperation on Agriculture (IICA) through its office in Ecuador, developed a national integrated control programme for residues of contaminants (pesticides and mycotoxins) for export products. Two pilot products were selected: broccoli and coffee, on which initial work of monitoring and analysis was performed. In the case of coffee, existing data was verified and important conclusions could be drawn. For the case of broccoli, samples of product for export and for domestic consumption were analysed. This allowed strengthening the analytical capacity of two state laboratories (equipment and human resources). Once the monitoring was completed, areas with higher incidence of mycotoxins in coffee were identified and training to both producers and exporters in post-harvest handling was conducted. Training manuals on the good use of pesticides were developed, with support from the Ministry of Environment, and trainings to producers was provided across the country. Similarly, a manual for the prevention of ochratoxin A in coffee was produced, with the support of the National Coffee Council (COFENAC). Several consultation meetings with various institutions from the public and private sector were held throughout the project duration in order to socialize and endorse the national programme.

- *STDF/PG/319: Strengthening the Food Safety Risk Assessment Unit in Colombia.* This project was implemented by IICA from February 2011 to January 2013. It aimed to strengthen national capacity to undertake food safety risk analysis mainly through supporting the creation and the technical development of a Food Safety Risk Assessment Unit (UERIA) within the Ministry of Health. The project achieved positive results with regard to establishing UERIA as a fully operational entity with science-based procedures for risk assessment based on international standards and guidelines, a network of trained experts and a knowledge base to support risk managers in their decision-making. A total number of 14 scientific evaluations were conducted through the project including 4 risk profiles, 3 risks assessments, 3 scientific concepts and 4 desk studies on various food safety risks. In addition to these concrete outputs, UERIA has undertaken a number of risk communication activities at a national level and has built strong information exchange relations with similar entities in the region mainly through an enhanced participation in Codex work.
- *STDF/PG/326: Training platform to build trade capacity for fresh and processed fruits and vegetables in Thailand & Viet Nam.* This project, implemented by the Michigan State University, focused on building trade capacity for fresh and processed fruit and vegetable products in two key Southeast Asian countries - Thailand and Vietnam. The project delivered capacity building using a combination of traditional face-to-face instruction as well as highly-scalable internet based eLearning. Lead trainers were identified and trained in use of materials for improved food safety management. A harmonized and competency-based educational platform was developed and tested and technical assistance efforts were designed to improve food safety compliance of target producers and processors to facilitate market access. The project was implemented from January 2011 to June 2013 with cooperation from the key project partners in Thailand (Kasetsart University) and Vietnam (Can Tho University). An important result of the project is the launch of materials for improvement of food safety compliance for trainers and the industry in both Thailand and Vietnam. Project partners in the two countries launched websites to disseminate this localized educational content to stakeholders as open educational resources. The project also led to synergies among stakeholders in various sectors of the food industry, institutional partners and government units in the application of materials to bolster capacity of value chain actors to meet applicable standards.

### 4.3 Evaluation of projects

4.5. Evaluations of the following three projects were completed and presented and discussed in the Working Group:

- *STDF/PG/116: Development and Implementation of a Movement Control System for Cattle in Costa Rica.* The evaluation concluded that the project was run successfully, completed within time and budget, and had met its overall objectives. The Government of Costa Rica had been a major driving force behind this project. The report recommended that final project publications be disseminated widely to raise awareness and thereby ensure project sustainability. It made the recommendation to IICA, the organization in charge of project implementation, to disseminate the publication within the region. Key lessons learned included: i) alignment with national long term strategy (national priorities) was key to the success of the project; ii) the project was tailor made to country conditions, requirements and resources, which was fundamental for its success; and iii) private sector participation and cooperation was important and key in terms of capacity enhancement. Lastly the report concluded that the project inherently contained flexibility in project development and implementation which contributed to its success.
- *STDF/PG/134: Improving fish trade performance in West Africa.* The evaluation included a field survey and concluded that the project yielded positive outcomes. Beneficiaries considered that it was instrumental in assisting their countries to get approved/re-approved as fish exporters to the EU (except for Sierra Leone). Several good practices were highlighted including: i) the re-assessment of training needs during the inception phase of the project which helped in designing tailor-made trainings and taking into account the evolution of needs between project formulation and implementation; and ii)

the use of local trainers which was appreciated by participants. The evaluation made recommendations for future projects based on the findings of the survey.

- *STDF/PG/246: SPS Action Plan for Cambodia.* The evaluation concluded that the project, implemented by FAO, delivered on time and within budget, proposed a robust and useful action plan with policy options, priorities, and indicative costs for suggested projects. However, although the action plan had been submitted in July 2010 and endorsed by the Ministry of Commerce in January 2011, no specific follow up actions had been taken subsequently, possibly due to some institutional issues as well as overlap with another major SPS project funded by the ADB. The evaluator recommended that for future SPS action planning projects, a prior commitment be obtained from the host government to give formal consideration to implementing the action plan, once it had been completed. The importance of on-going coordination with donors in developing the action plan to encourage them to build it into their forward budgeting to facilitate funding for follow up actions was highlighted. In addition, it was suggested that SPS action plans be accompanied by detailed project proposals for specific investments to address the highest priorities identified.

4.6. In October 2013, the Working Group selected the following two projects (completed in 2012) for an external ex-post evaluation:

- STDF/PG/155: Market-Oriented Training Service on Standards Application (MOTSSA) - Nicaragua.
- STDF/PG/283: Support for SPS risk assessment in the mango export sector in Mali

4.7. These projects will be evaluated in 2014, in addition to other outstanding evaluations. The evaluation of project STDF/PG/283 will be combined with the evaluation of: (i) STDF/PG/313: Continuation of the West African Fruit Fly Initiative; (ii) STDF/PG/255: Regional initiative on the fight against fruit flies in West Africa; and (iii) STDF/PG/287: Information sharing initiative on the actions to control fruit flies in Sub-Saharan Africa. In addition, project STDF/PG/126: Establish the Horticulture Development Council of Tanzania (HODECT) will be evaluated in 2014.

#### **4.4 Conclusion on improved capacity of beneficiaries of STDF-funded projects to analyse and implement international SPS requirements**

4.8. In conclusion, all seven projects completed in 2013 achieved good results. Some of these projects will be selected for further external evaluation in 2014. Monitoring project implementation and guiding the external evaluation of completed projects remained very challenging, due to the limited staffing situation. More generally, the STDF continued to meet its target to dedicate at least 40% of its project resources to LDCs and OLICs.

4.9. Once the new STDF website becomes available by mid-2014, each project will have its own webpage, describing background and objectives, (expected) results and lessons to be learned where applicable. In addition, links will be provided to relevant needs assessments, tools, training materials and other relevant reports produced under each of the projects. Over time, the Working Group should consider summarizing the results and lessons learned across a wider spectrum of STDF-funded projects as part of broader efforts to capture the impact of STDF's project funding component.

### **5 STDF MID-TERM REVIEW**

5.1. During the second half of the year, the STDF was subject to an independent review to provide an assessment of progress in the implementation of its medium-term strategy. The review was carried out by Saana Consulting and covered the period 2009-2013. It examined the STDF's performance against evaluation criteria developed by the OECD - relevance, effectiveness, efficiency, sustainability and impact. Partners, donors, developing country experts, beneficiaries as well as a range of other organizations and individuals were consulted during the review process.

5.2. The review reported that "the results are impressive and a testament to the effective operation of the STDF". Its role in coordinating assistance projects was also praised as "significant value added" and the performance of the STDF Secretariat was rated as "efficient and cost effective". STDF projects were considered to be "highly relevant to the needs of the beneficiaries and to the policies of partners and donors" The STDF has "successfully established itself as a coordination forum for the exchange of information and dissemination of best practice in relation to SPS standards". The final review report is available on the STDF website ([http://www.standardsfacility.org/Files/KeyDocs/STDF\\_MTR\\_Jan-14.pdf](http://www.standardsfacility.org/Files/KeyDocs/STDF_MTR_Jan-14.pdf)).

5.3. Recommendations on how to further strengthen the operation of the Facility were provided and grouped as follows: (i) review the current medium term strategy and strengthen the results based management framework; (ii) increase and improve cooperation with regional and global players; and (iii) strengthen the STDF Secretariat's capacity and ensuring effective management of the Facility. Implementation of these recommendations will be further discussed by the STDF Policy Committee and Working Group in 2014.

## 6 OPERATION OF THE FACILITY

6.1. Demand on the Secretariat's services in terms of facilitating a range of coordination activities, organizing Working Group meetings, participation in other selected meetings and training workshops, website maintenance, project development, review, implementation and evaluation, etc. remained very high. The STDF mid-term review confirmed the Secretariat's heavy workload and recommended that human resources be strengthened with the appointment of two additional full-time staff members.

6.2. Two STDF staff members went on maternity leave in August and September, respectively (both staff members will return in April 2014). They were replaced on temporary basis, but their prolonged leave also had an impact on the functioning of the Facility.

6.3. The 2013 Work Plan set an annual target level of funding of US\$5 million. In 2013, a total of US\$3,877,167 was received in donor funding. In addition to contributions received from Canada, the European Union and Sweden under multi-annual agreements, contributions were also received from Denmark (through a multi-annual agreement for the years 2013-2015), Germany, Ireland, Japan, Norway (through an agreement for 2013 and 2014) and Chinese Taipei (see Table 8). A pledge was also received from The Netherlands in July 2013 (on the margins of the Global Review on Aid for Trade) but unfortunately this contribution agreement could not be concluded in 2013.<sup>7</sup>

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<sup>7</sup> A four-year agreement (2014-2017), totalling CHF 3,500,000, was concluded with The Netherlands in January 2014.

**Table 8: Contributions received in 2013**

<b>Donor</b>	<b>Amount in CHF</b>
Canada	903,751
Denmark	491,063
European Union	448,448
Germany	183,750
Ireland	227,920
Japan	85,502
Norway	228,711
Sweden	962,220
Chinese Taipei	74,400
<b>Total</b>	<b>3,605,765</b>
<b>Total (US\$)</b>	<b>3,877,167</b>

6.4. Annex 1 provides an overview of STDF's operating expenditures in 2013 amounting to US\$4,392,711. Annex 2 shows the uncontracted commitments (awaiting contracting PPGs and projects) as of 31 December 2013. Annex 3 corresponds to the final balance of the year, having deducted contracted and uncontracted commitments, indicating a negative balance of US\$512,312.

6.5. In conclusion, 2013 showed a shortfall of around US\$1.1 million with respect to the annual target level of funding. Although sufficient funding was available in the trust fund to implement the 2013 Work Plan, additional funding will be needed to continue operations in 2014 and to approve new projects and PPGs. The Secretariat will continue its efforts to maintain and increase the donor base and the level of contributions (ideally through multi-year commitments).

**Annex 1: STDF Operating Expenditures**

Description	STDF Ref.	Budget Estimate USD	Actual Exp. CHF	Actual Exp. USD
<b>Technical missions and meetings</b>				
15 Technical missions		90,000	54,339	58,429
2 WG meetings		78,000	74,089	79,665
<b>Total</b>		<b>168,000</b>	<b>128,427</b>	<b>138,094</b>
<b>Coordination activities</b>				
MCDCA work + training workshop in Geneva	STDF/CO/291	150,000	98,194	105,585
Finalization of IAS publication	STDF/CO/340	100,000	29,424	31,638
Side event 4th Global Review Aid for Trade	STDF/CO/452	10,000	9,408	10,116
Redesign STDF website	STDF/CO/448	75,000	47,700	51,290
Research work on SPS and Trade Facilitation	STDF/CO/294	200,000	49,951	53,711
<b>Total</b>		<b>535,000</b>	<b>234,677</b>	<b>252,340</b>
<b>Project Development</b>				
PPG	STDF/PPG/303		2,742	2,948
PPG	STDF/PPG/337		45,550	48,978
PPG	STDF/PPG/400		33,901	36,453
PPG	STDF/PPG/346		55,800	60,000
PPG	STDF/PPG/379		30,058	32,321
PPG	STDF/PPG/404		8,443	9,079
PPG	STDF/PPG/392		35,279	37,935
<b>Total</b>		<b>200,000</b>	<b>211,773</b>	<b>227,713</b>
<b>Project Funding</b>				
Project	STDF/PG/230	(Reimbursement)	-15,052	-16,185
Project	STDF/PG/238	(Reimbursement)	-2,158	-2,320
Project	STDF/PG/283	(Reimbursement)	-43,503	-46,777
Project	STDF/PG/155		25,221	27,119
Project	STDF/PG/172		67,354	72,424
Project	STDF/PG/300		48,817	52,491
Project	STDF/PG/318		37,243	40,046
Project	STDF/PG/328		114,480	123,097
Project	STDF/PG/302		155,136	166,813
Project	STDF/PG/321		254,800	273,978
Project	STDF/PG/336		231,642	249,078
Project	STDF/PG/329		194,236	208,855
Project	STDF/PG/344		122,613	131,842
Project	STDF/PG/335		65,891	70,851
Project	STDF/PG/337		174,474	187,607
Project	STDF/PG/354		261,555	281,242
Project	STDF/PG/358		136,244	146,499
Project	STDF/PG/359		121,397	130,535

Project	STDF/PG/381		109,654	117,908
Project	STDF/PG/436		78,211	84,098
<b>Total</b>		<b>2,600,000</b>	<b>2,138,257</b>	<b>2,299,201</b>
<b>Evaluations</b>				
Ex-post evaluation PG/246	STDF/EV/246		10,000	10,753
Ex-post evaluation PG/134	STDF/EV/134		13,530	14,549
Ex-post evaluation PG/116	STDF/EV/116		11,777	12,664
Independent Review PG/402	STDF/RV/402		1,800	1,935
<b>Total</b>		<b>50,000</b>	<b>37,108</b>	<b>39,901</b>
<b>Operating Expenses</b>				
STDF staff expenditures		819,000	809,860	870,817 <sup>8</sup>
STDF Mid-term review		50,000	45,580	49,011
Miscellaneous			9,558	10,277
<b>Total</b>		<b>869,000</b>	<b>864,998</b>	<b>930,105</b>
<b>Sub-total</b>		<b>4,422,000</b>	<b>3,615,240</b>	<b>3,887,355</b>
Overheads (13%)		574,860	469,981	505,356
<b>GRAND TOTAL</b>		<b>4,996,860</b>	<b>4,085,221</b>	<b>4,392,711</b>

<sup>8</sup> This figure includes an additional expense of US\$46,229 to cover short term maternity leave replacements for two staff members.



**Annex 2: Uncontracted Commitments**

Description		Approval Date	Project Cost (US\$)
<b>Project Preparation Grants</b>			
STDF/PPG/432	Asia Pacific countries	Mar-13	49,990
STDF/PPG/428	TILAPIA	Oct-13	50,000
STDF/PPG/435	Sudan	Oct-13	50,000
STDF/PPG/453	Aquaculture in ASEAN	Oct-13	48,000
STDF/PPG/462	The Gambia	Oct-13	50,000
<b>Project Grants</b>			
STDF/PG/401	PCE Facilitators	Oct-12	625,148
STDF/PG/303	Total Diet Study	Mar-13	1,063,708
STDF/PG/345	FeedLatina	Mar-13	1,000,000
STDF/PG/316	Azerbaijan	Oct-13	1,000,000
<b>Total</b>			<b>3,936,846</b>
Overhead fees (13%)			511,790
<b>Grand Total</b>			<b>4,448,636</b>
<b>Grand Total (CHF)</b>			<b>4,137,231</b>

**Annex 3: Final Balance**

Description	Amount (CHF)
Opening Balance as at 1 January 2013	9,800,069
Interest on Investments	4,851
Contributions Current Year	3,605,765
<b>Total Funds</b>	<b>13,410,685</b>
I. Technical missions and meetings	145,123
II. Coordination activities	265,185
III. Project Development	239,304
IV. Project Funding	2,416,231
V. Project Ex-post Evaluations	93,437
VI. Operating Expenses	925,942
<b>Total Expenditures</b>	<b>4,085,221</b>
VII. Contracted Commitments	5,664,683
<b>Balance in favour of donors</b>	<b>3,660,781</b>
Uncontracted Commitments	4,137,231
<b>Final Balance</b>	<b>-476,450</b>
<b>Final Balance (US\$)</b>	<b>-512,312</b>