

**STDF 42: Summary Report of STDF Working Group and
Policy Committee Meeting**

9 and 10 September 2004

OIE Headquarters, Paris

WORKING GROUP MEETING – 9 SEPTEMBER 2004

Present:

Mr Ezzedine Boutrif, Mr Leo Hagedoorn (FAO);

Mr Brent Larson (IPPC);

Mr Alex Thierman, Mr David Wilson, Mr Francesco Berlingieri (OIE);

Mr Cornelius Van Der Meer, Mr Uri Dadush (World Bank);

Mr Wim Van Eck (WHO);

Mr Michael Roberts, Ms Gretchen Stanton (WTO).

ELECTION OF CHAIRMAN

1. Mr Cornelius Van Der Meer (World Bank) was elected Chairman of the Working Group for a one year term. Mr Ezzedine Boutrif (FAO) was elected Vice-Chairman. Mr Boutrif will automatically become Chairman at the end of Mr Van der Meer's term.

OPERATION OF THE STDF

(a) Report on activities and financial statement

2. The Secretary recalled that a detailed overview of STDF activities and a financial statement could be found in document STDF 39.

3. The Secretary noted that the two projects approved after the March Working Group meeting had been tendered: STDF 19: Model Arrangements for SPS Stakeholder Involvement at the National Level and STDF 20: Country Based Plans for SPS related Development. All the bids received exceeded the indicative budgets approved by the Working Group, including the two bids subsequently selected. However, in the case of STDF 19, the overshoot was minimal – approximately \$9,000 or 4%. It was agreed that the administrator should be able to proceed in contracting a project so long as the winning bid was within 15% of the upper limit of the indicative budget – bids higher than 15% of the indicative budget would need to be referred back to the Working Group for approval. For simple issues, it was suggested that e-mail approval on a non-objection basis should be used.

(b) STDF Website

4. The STDF Secretary recalled that an update on the website and training materials could be found in document STDF 39.

(c) STDF Database

5. Mr Boutrif requested that the STDF Secretary explore the possibility of harmonizing the data input system of the FAO International Portal on Food Safety, Animal and Plant Health and the STDF technical assistance database. Harmonization would avoid the time- and labour-consuming task of double data entry and so help ensure complete data coverage for FAO TA activities. The STDF Secretary agreed to explore the technical possibilities with Mr Robson of the FAO.

(d) Report on donor contacts

6. The Secretary and Chairman reported on contacts that had taken place with the Dutch and British governments and the European Commission. The Working Group felt that further contacts with the Irish, Swiss, Danish and the Swedish authorities should also be pursued. It was suggested that EU Member States could be approached to request action from the European Commission through the Development Group in Brussels.

REVIEW OF THE BUSINESS PLAN

7. The Working Group agreed that:

- 40% of Facility funds should be targeted at LDCs;
- The linkage with the Integrated Framework should be strengthened. This linkage would be reinforced through: the development of a common diagnostic tool which could be applied by consultants conducting IF needs analysis missions; a systematic analysis of the SPS issues identified in the existing IF Diagnostic Trade Integration Studies and, where possible, development of project preparation grants where SPS issues had been identified.
- When projects were being evaluated, full use should be made of the information collected by partner agencies through the use of diagnostic tools and contained in country programmes.
- Further clarity needed to be brought to the relationship between the standard setting organizations and the governance structures of the STDF.
- Governance arrangements for the STDF needed to be reviewed, with respect to how best to manage the involvement of donors and potential beneficiaries.

POLICY COMMITTEE MEETING – 9 SEPTEMBER

Present:

Dr Bernard Vallat, Director-General and Chairman of the Policy Committee, Mr Alex Thierman, Mr David Wilson, Mr Francesco Berlingieri (OIE);

Ms Louise Fresco, Assistant Director-General, Mr Ezzedine Boutrif, Mr Leo Hagedoorn (FAO);

Mr Brent Larson (IPPC)

Mr Uri Dadush, Director, International Trade Department, Mr Cornelius Van Der Meer (World Bank);

Dr. Kerstin Leitner, Assistant Director General, Mr Wim Van Eck (WHO);

Dr. Kipkorir Aly Azad Rana, Deputy Director General, Ms Gretchen Stanton, Mr Michael Roberts, (WTO).

STATEMENTS BY PARTNER AGENCIES

8. Partner agencies reaffirmed their commitment to the STDF initiative.

9. Speaking as chairman of the Policy Committee, Dr Vallat highlighted the win-win potential of investments to address SPS failings both for developed and developing countries. One particular area of interest for the OIE was exploring alliances with other bodies with SPS expertise, notably with organizations with a regional focus.

10. Mr Dadush of the World Bank outlined the analytical work it was conducting on "costs of compliance" and noted that it was more generally trying to step up work on standards at the country level – something for which funds had been received from the Dutch government. Mr Dadush underlined the central role of the WTO and the Bank's interest in seeing WTO manage the STDF process. He also underlined the important lessons which the STDF could learn from the IF, not least that of ownership of the process by beneficiary countries. Beneficiary ownership needed to be combined with a clear idea of the needs in a particular country. Good diagnostic tools and country reviews were essential in ensuring that the correct investment decisions were made.

11. On behalf of FAO, Ms Fresco recalled the potential of the STDF as a technical assistance co-ordination mechanism. She pointed to the potential of the FAO International Portal on Food Safety, Animal and Plant Health as an information source and tool to exploit synergies between the STDF and bilateral technical assistance programmes, not least in fostering south-south co-operation.

12. Dr Leitner of the WHO argued that the STDF could play a useful role in the achievement of the Millennium Development Goals. Dr Leitner suggested that the STDF seek funding outside traditional donor partners, by engaging with the private sector.

13. Speaking for the WTO, Dr Rana highlighted the positive linkage between the STDF and the realization of IF objectives. He also mentioned that while the WTO was committed to play the role of administrator of the STDF for the time being, the question of whether or not the WTO was the best place to host the Facility in the future was still open. He highlighted that WTO had requested CHF 150,000 from Members as part of the 2005

WTO technical assistance plan so as to assist with costs related to the administration of the STDF.

REVIEW OF THE BUSINESS PLAN

14. The Policy Committee endorsed the amendments agreed at the Working Group meeting. Additional amendments were introduced on the role of regional organizations as collaborating partners and the eligibility of private sector applicants (although it was agreed that further guidance was necessary). Further substantive discussions took place on governance structures and funding of the STDF Secretariat.

(a) Governance structures

15. Partners recognized the value which could be brought by donor and beneficiary involvement in the STDF's governance bodies and agreed that the Business Plan should provide for such involvement. However, it was felt that further reflection was needed on this question before any final decisions were reached as to how donors and stakeholders would be selected and on which governance bodies they should serve. Particularly important in the regard was continuity in representation and expertise in the technical area of the STDF. The Policy Committee requested the Secretary to look at other comparable funds and to make recommendations to the Policy Committee. The Policy Committee agreed to come back to this issue at its next meeting.

(b) Funding of the STDF Secretariat

16. All partner organizations accepted that administrative overhead costs should not exceed 13% of direct costs. No consensus was however forthcoming on the WTO proposal to split administrative overheads in the ratio 8% to the executing agency and 5% to the administrator for projects implemented by partner agencies. The World Bank and OIE indicated that they were able to accept the WTO proposal, but FAO and WHO indicated the inability of their financial services to accept the proposed formula. FAO and WHO recommended that the real cost of administration of the Facility be calculated alongside project implementation costs and a new cost-sharing formula proposed on this basis. It was suggested that administrative overheads could be shared according to a sliding scale dependent on the amount of fieldwork required. It was requested that the Secretariat propose a solution for electronic adoption. In the meantime, FAO and WTO would work together to find a solution to the implementation of projects STDF 9 rev.1 Model Programme for Developing Food Standards within a Risk Analysis Framework: Pilot application in Asian and Pacific Countries and STDF 10 rev.1: Support to pilot activities for national implementation of International Portal on Food Safety, Animal and Plant Health.

Adoption of the Business Plan

17. After revision to reflect the decisions taken at the Working Group and Policy Committee, the STDF business plan was formally adopted by the partner agencies on 10 September 2004.

WORKING GROUP MEETING CONT. –10 SEPTEMBER 2004

Present:

Mr Ezzedine Boutrif & Leo Mr Leo Hagedoorn (FAO);

Mr Brent Larson (IPPC)

Mr Alex Thierman, Mr David Wilson, Mr Francesco Berlingieri (OIE);

Mr Cornelius Van Der Meer, (World Bank);

Mr Wim Van Eck (WHO);

Mr Michael Roberts, Ms Gretchen Stanton (WTO).

REPORTS ON-GOING PROJECTS

STDF 19: Model Arrangements for SPS Stakeholder Involvement at the National Level and STDF 20: Country Based Plans for SPS related Development

18. The STDF Secretary recalled that the budgets for both STDF 19 and 20 were indicative and that the bids received during the tender process for both projects had exceeded these indicative budgets. In the case of STDF 19, the overshoot was minimal – approximately \$9,000. For project STDF 20, the overshoot was larger, at \$99,543. The Working Group approved the amended budget for the project of \$291,218.

STDF 9 rev.1: FAO/WHO risk management training for Asian Pacific countries and STDF 10 rev.1: FAO portal project

19. FAO reported that it was ready to implement both projects. On STDF 9, contact had been made with FSANZ and the WHO regional office. Likewise, on STDF 10, the FAO was ready to implement. It was agreed that an urgent solution needed to be found to the issue of splitting the overhead costs.

STDF 14 rev.1: Veterinary Capacity Evaluation tool

20. OIE reported that the veterinary capacity evaluation tool had been developed in both English and Spanish language versions. The tool had been applied to countries in the Americas and work there would be completed in November. Interest had been expressed by a number of organizations, notably the European Communities, in applying the tool elsewhere in the world, including in Kenya and Tanzania. OIE had however decided to complete the project and make any necessary amendments to the tool before encouraging its wider use. The next step was to apply the evaluation tool to pilot countries in Africa. The OIE had not yet decided on the pilot countries, but committed to consider applying it to Ethiopia and Mauritania in view of the animal health needs identified in both countries IF action matrices. The World Bank informed the OIE of research it was conducting on the livestock sector in Botswana in conjunction with the Bank's costs of compliance work.

STDF 15 rev.3: Training of trainers project (revised proposal)

21. OIE submitted a revised terms of reference for project STDF 15 which had been approved after the last Working Group. The main change to the project was the development of a syllabus in conjunction with OIE's new collaborating centre in Lyon. The main purpose

of the syllabus was to develop a training module for new delegates to the OIE. The IPPC expressed interest in the training module concept and FAO recalled it was developing a training package for new delegates to the Codex. It was agreed that once the project had been completed, it would be evaluated and applied to the food safety and plant health area.

EVALUATION OF PROJECTS RECEIVED

STDF 13.rev.1: Enhancement of selected African regions capacity to meet livestock standards (Applicant: OIE)

22. The OIE introduced the project which had been re-tabled after discussions with the World Bank. It was agreed that since OIE would act as project manager for the project it could contract consultants that possessed the necessary skills directly rather than going through a formal tendering procedure. The OIE agreed to take either Ethiopia or Mauritania as one of the pilot countries for this project (on the basis of issues identified in their IF Diagnostic Trade Integration Studies). Partners were concerned that the OIE had not made adequate budgetary provision for the project. It was agreed that the budgetary situation would be reviewed after the project had been successfully implemented in one pilot country.

STDF 34: Pilot Fish Auction – encompassing information and trading development (Applicant: East African Fish Auctions, Kenya)

23. The STDF Secretary indicated that it was impossible to know from the information supplied if the applicants were financially solvent and had not been engaged in unlawful activities, if the project had the support of the local government authorities and if the applicants had the capability to actually execute the requested project. The main objective of the project was to establish a fish auction system, but it was not clear to some members of the Working Group what linkage this would have to meeting official or commercial requirements in the SPS area. The project was considered ineligible for funding, but it was suggested that the applicant be put in contact with the EC fisheries programme for ACP countries. The applicant would also be encouraged to approach the local World Bank and FAO offices.

STDF 37: Assistance to Developing Countries in the Implementation of ISPM 15 (Applicant: IPPC)

24. After clarification by the IPPC of the dissemination plan at national level and involvement of the private sector, the project was approved by the Working Group.

STDF 36: Assisting Developing Countries in the Implementation of ISPM 15 (Applicant: National Wooden Pallet and Container Association, USA)

25. It was decided that the results from the IPPC project would be evaluated before further projects dealing with ISPM 15 would be considered. The IPPC noted that the NWPCA could be included within the consultative group on the ISPM 15 implementation project.

STDF 35: Immunodiagnostics for detection, monitoring and surveillance of anthracnose in yam (Applicant: Philippine Root Crop Research and Training Center)

26. The Working Group considered that it should not engage in funding basic scientific research and as such the application was not eligible. The Working Group instructed the Secretary to make this clear in future promotional materials for the STDF.

STDF 38: CARICOM (Applicant: CARICOM Secretariat)

27. The FAO recalled that work was currently underway on laboratory facilities in Surinam and that diagnostic tools, including the Phytosanitary Capacity Evaluation tool, had been applied in the region. An analysis of trade flows and greater stress on the utilization of regional capacity rather than the duplication of facilities at national level were thought important. The Working Group supported the project but felt that further attention needed to be given to the development of the project concept before it could be funded. In particular, it was thought that three separate consultants might be needed to analyze laboratory capacity in the animal, plant and food areas. As such, the Working Group approved a project preparation grant of \$20,000 and instructed the Secretary to inform the CARICOM Secretariat of its willingness to work on the further development of this project.

STDF 26: Cameroon Standards Training

28. The Secretary recalled that at the last Working Group in April this year, a proposal had been tabled by Trace Element on a training course for Cameroon officials. It had been decided that stage 1 of the project (a scoping mission to Cameroon) could be financed on condition that a revised project preparation grant be submitted. However, on circulation of the revised project preparation grant further concerns had been raised over Trace Element's qualifications to conduct the training and the application had been rejected. The Working Group nevertheless considered the original request from Cameroon in document G/SPS/GEN/401 as being of merit and decided to approve a project preparation grant to examine the situation in Cameroon (in particular through analysis of existing donor programmes) and to develop a project on this basis. The World Bank stated that it would see if this activity could be undertaken as part of its programme in Cameroon. A project preparation grant of \$20,000 was approved for this purpose.

DECISIONS ON PROJECT FINANCING

29. The STDF Secretary recalled that there were insufficient funds in the Facility to implement all the projects approved at the Working Group. Therefore, the Working Group decided to give priority to projects already approved and to finance newly-approved projects in the following order:

- STDF 20: Country Based Plans for SPS related Development – implementation postponed until January 2005;
- STDF 37: Assistance to Developing Countries in the Implementation of ISPM 15;

- STDF 38: CARICOM Laboratory project preparation grant;
- STDF 13.rev.1: Enhancement of selected African regions capacity to meet livestock standards; and
- STDF 26: Cameroon Standards Training.

STDF STAFFING ISSUES AND EVALUATION

30. It was recalled that the WTO had requested CHF 150,000 as part of the WTO's 2005 Technical Assistance Plan so as to assist in covering the cost of the administration of the STDF. The Secretary also recalled that according to the terms of the World Bank's Development Grant Facility agreement between the World Bank and the WTO, an evaluation of the STDF had to be conducted by April 2006. The Working Group approved a budget of \$20,000 for the evaluation.

OTHER BUSINESS

31. The Working Group requested that the Secretary prepare a brochure on the STDF to be used as publicity for both potential beneficiaries and donors.

32. The Secretary informed the Working Group that a document giving further guidance on project evaluation would be produced before the next Working Group.

33. The Chairman of the Working Group and the Secretary agreed to co-ordinate and engage in further fund-raising visits to donors over the following months.

DATES OF NEXT MEETINGS

34. It was agreed that the next meeting of the Working Group would be hosted by WTO on 9 and 10 February 2005. The next joint meeting of the Policy Committee and Working Group would be hosted by the World Health Organization on 5, 6 and 7 September 2005.