

Committee on Sanitary and Phytosanitary Measures

**SUMMARY REPORT OF THE GOOD PRACTICE WORKSHOP
6 OCTOBER 2008**

Note by the Secretariat¹

I. SUMMARY

1. The Standards and Trade Development Facility (STDF) organized a workshop on good practice in technical co-operation in the sanitary and phytosanitary (SPS) area, in collaboration with the Organization for Economic Co-operation and Development (OECD), on 6 October 2008. Some 250 persons participated including delegates from the SPS Committee and 60 officials from developing countries whose attendance was funded by the WTO Global Trust Fund and STDF.

2. The idea for a workshop on this topic originated in the SPS Committee when some Members, including Egypt, stressed the importance of ensuring that SPS-related technical assistance is effective and that it actually addresses the needs of the beneficiary countries.

3. The workshop provided an opportunity to consider the Paris Principles on Aid Effectiveness (Paris Principles) in the context of the highly technical area of SPS-related technical co-operation. The meeting was timely in view of the High Level Forum on Aid Effectiveness in Accra, Ghana in September 2008, which assessed the effectiveness of development assistance in general and agreed on the need for further bold steps to reform the way aid is given and spent.

4. The objectives of the workshop were threefold:

- To review experiences related to good practice in SPS-related technical assistance projects from three pilot regions and identify those elements of good practice which could be replicated in future assistance.
- To discuss what is required from donors, development agencies and beneficiaries in order to disseminate and implement the identified good practices more widely.
- To discuss how the positive impact on trade performance of SPS-related technical assistance can be maximized.

5. The workshop was organized in four sessions. At the end of each session, there were opportunities for comments and questions from the floor. The complete set of presentations and a podcast of the discussions are available on the STDF website and the SPS gateway on the WTO website (http://www.wto.org/english/tratop_e/sps_e/wkshop_oct08_e/wkshop_oct08_e.htm).

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights or obligations under the WTO.

6. Suggestions for follow-up work focused on:

- the development of a framework to assess impacts quickly and relatively easily;
- the development and use of impact indicators;
- case studies on how a value-chain approach has enhanced trade performance for particular commodities or to consider the cumulative effects of technical assistance in the SPS area over time; and
- ongoing co-operation with the EIF to ensure that SPS issues are integrated into national development plans and budgetary processes.

II. BACKGROUND

7. The STDF/OECD research on good practice was based on a survey (G/SPS/GEN/816 and Add.1), which requested WTO Members and OECD contact points to nominate SPS-related projects in East Africa, Central America and the Greater Mekong Delta Sub-Region that could be considered as examples of good practice.² A total of 24 projects were nominated by 19 organizations in response to this survey. In-country interviews were then carried out by three consultants from June to August 2008 to seek the views of beneficiaries on elements of good practice in the design, implementation, outputs and impact of the 24 nominated projects.

8. The findings of the regional research work are presented in three regional research papers (G/SPS/GEN/871, G/SPS/GEN/872 and G/SPS/GEN/874) published in September 2008.³ An overview and synthesis of the findings of the regional research on good practice is available in G/SPS/GEN/875.

9. The good practice research work built on previous STDF activities in East Africa, Central America and Greater Mekong Sub-Region, carried out within the Aid for Trade Initiative. This work synthesized the results of existing SPS capacity evaluations, developed an inventory of technical assistance, and identified gaps and priorities still not being addressed. It also brought together providers and beneficiaries of SPS-related technical assistance at three regional consultations in May and June 2008 to discuss the priority needs identified and the mobilization of resources to address them. Document G/SPS/GEN/864 provides a detailed overview of this work and summarizes the continuing needs of each region.

III. PRESENTATIONS

10. The findings of the regional research work were presented by Spencer Henson (East Africa), Cornelis van der Meer (Greater Mekong Delta Sub-Region) and Jason Hafemeister (Central America) during the first session of the workshop. Their presentations highlighted a number of elements of good practice in project design and implementation including: the importance of thorough preparation and sound project design; careful assessment and prioritization of needs and the use of more consistent and rigorous tools for this purpose; adequate consideration of absorptive capacity; transparency and communication; flexibility; involvement of the private sector; attention to

² The following countries were included in this research: East Africa (Kenya, Tanzania and Uganda), Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and Greater Mekong Delta Sub-region (Cambodia, Lao People's Democratic Republic (PDR) and Viet Nam).

³ The regional research are entitled: (i) Good Practice in SPS-Related Technical Co-operation. Central America Sub-region. Jason Hafemeister (G/SPS/GEN/874); (ii) Good Practice in SPS-Related Technical Co-operation. East Africa Region Report. Spencer Henson and Oliver Masakure (G/SPS/GEN/871); and (iii) Good Practice in SPS-Related Technical Co-operation. Greater Mekong Sub-Region. Cornelis van der Meer and Laura L. Ignacio (G/SPS/GEN/872).

sequencing; coordination and efforts to ensure linkages with related activities; a value-chain approach, results-based management, etc.

11. These presentations laid a good basis for three break-out groups during the second session in which participants discussed the issues raised in the context of their own experiences and considered how the OECD Paris Declaration on Aid Effectiveness could be applied, how to maximize the positive trade impact of SPS-related technical co-operation and how good practice could be replicated more widely. Nancy Gitonga, Mohammed Sidibe and Edmundo Toro Vallecillo reported to the plenary session on the conclusions arising from the three groups.

12. In the discussion which followed, Fidelma O'Shaughnessy, EuropeAid made a presentation on how the European Commission is working at policy, strategy and implementation levels to accelerate progress on the Paris Principles as a means to enhance the effectiveness of the aid it provides.

13. The third session focused on how to maximize the positive impact on trade performance of SPS-related technical assistance. Three presentations were made on examples of SPS-related technical co-operation projects, which were particularly successful in gaining or maintaining market access:

- Presentation by Guy Stinglhamber on the Pesticides Initiative Programme (PIP) implemented by COLEACP, a non-profit inter-professional association representing the collective interests of ACP producers/exporters and EC importers of fruits, vegetables, flowers and plants.
- Presentation by Daniel Orellana, Foreign Agriculture Service, United States Department of Agriculture (USDA) on the USAID/USDA Programme for Trade Capacity Building on Sanitary and Phytosanitary Issues under the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR); and
- Presentation by Nguyen Huu Dat, Plant Protection Department of the Ministry of Agriculture and Rural Development, Viet Nam on the results of a project, funded by the Japanese International Co-operation Agency (JICA), that used vapour heat treatment to control fruit flies in fresh fruit in Viet Nam as a means to expand market access.

14. The fourth and final session looked to the future and, specifically, how to apply good practice to improve the impact and sustainability of available assistance with presentations by Linda Fulponi, OECD and Michael Roberts, STDF Secretary.

IV. DISCUSSIONS

15. The presentations promoted a lively discussion with more than 23 participants taking the floor to ask questions during the course of the day. Over half these questions came from representatives of least developed countries.

16. There was broad agreement with the findings of the regional research presented during the first session. The importance of thorough preparation and a leading role for beneficiaries in project design and implementation was emphasized. With regard to the assessment of SPS needs, participants from East Africa and Central America referred to the usefulness of the STDF regional consultations in May and June 2008, which identified outstanding needs and priorities in the SPS area on the basis of existing sectoral assessments. There was consensus on the importance of developing local public and private sector capacity to build capacity in the SPS area as a means to enhance sustainability.

17. However, the presentations and discussions acknowledged that several elements of less than good practice persist in SPS-related technical assistance. These include fragmented, supply-driven assistance, insufficient attention to ownership or absorptive capacity, a cursory approach to assessing and prioritizing needs, inadequate coordination, limited focus on and involvement of the private sector, not enough focus on developing local capacity to build capacity, and limited complementary investments in infrastructure. There was agreement that such "bad practices" should be avoided in the future.

18. One of the main conclusions of the workshop related to the difficulty of measuring the impact of SPS-related projects on trade performance, especially when objectives are likely to be achieved at some point in the future or when several overlapping and/or complementary projects contribute in different ways towards the achievement of objectives. In such instance, it can be challenging to separate out the impact of different interventions. It was also noted that other factors outside the SPS area (e.g. freight costs, exchange rates) often influence the outcomes of SPS-related capacity building activities. However, in general, this influence is not well understood or addressed. As such, one speaker commented that while projects may be evaluated, this does not normally include a rigorous assessment of the impact. Two suggestions were put forward in this regard: (i) the development of a framework to assess impacts quickly and relatively easily; and (ii) the development and use of impact indicators.

19. Absorptive capacity, exemplified by differences in governance, human resources or level of market development, etc., was identified as a critical factor influencing the success of SPS-related technical assistance. The role of absorptive capacity was particularly evident in regional projects where achievements in countries with a certain amount of pre-existing capacity generally surpassed those in countries with less absorptive capacity. There was agreement that project design and implementation should pay more attention to the role of absorptive capacity in influencing delivery and outcomes.

20. The benefits and challenges of a regional approach were also discussed in the context of absorptive capacity. Although there are often differences across countries in a region, it was considered important to pay adequate attention to developing regional capacity and coordination in the SPS area as a means to maximize results and enhance sustainability in the long-term. Similarly, it was noted that technical assistance could create market distortions, both within and across countries in a region, affecting competitiveness, and that this should be avoided.

21. Discussions on the SPS hierarchy of functions and the level at which capacity building activities should be targeted were related to absorptive capacity. There was general agreement that donors and beneficiaries should ensure that lower levels of capacity (e.g. application of basic good practices for hygiene and safety) are in place before addressing needs further up the SPS hierarchy (e.g. technologically-demanding risk analysis functions or SPS diplomacy). Nevertheless, it was noted that in some instances, including when countries were trying to expand market access, there may be a need to work on several levels simultaneously.

22. There was agreement on the need to strengthen national ownership in project design and implementation in line with the Paris Principles. However, an interesting question was raised regarding the appropriateness of supply-driven assistance in cases where issues are new and/or beneficiaries lack awareness of their needs. It was also suggested that external organizations should take a strong role in situations where they serve as an honest broker and bring together different stakeholders, often with vested interests. Weak management capacity in many government authorities in beneficiary countries was put forward as one of the main factors hindering national ownership.

23. The benefits of a value-chain approach to maximize the impact of technical assistance on trade performance emerged as a key conclusion, particularly in the research findings from Central America. A value-chain approach was put forward as a way to strengthen the regulatory framework for SPS management and increase the capacity of the private sector in the context of genuine market opportunities and constraints. Some speakers and participants commented on the importance of developing incentives and cost-sharing mechanisms as a means to enhance the outcomes and impact of available assistance. It was noted that cost-sharing and beneficiary participation had been an integral part of the PIP and had encouraged a more efficient use of resources and improved results.

24. Concerns about equity in the availability and allocation of resources for SPS-related technical assistance were raised by some participants. Some participants expressed concern that technical assistance activities tend to focus on countries that already have some of the basic foundations of an SPS system in place rather than countries with lower levels of capacity. Similarly, participants highlighted the need to ensure that small-scale producers are also targeted in capacity building activities. Some participants observed that PIP had successfully worked down the supply chain in order to effectively reach small-scale producers.

25. Another concern raised related to the tendency for SPS-related technical assistance to be poorly integrated into broader development assistance. It was further noted that SPS-related assistance does not generally reflect milestones for development co-operation such as the Millennium Development Goals or the Paris Principles. This was partly linked to a reliance in project design on experts with very technical backgrounds who do not always give due attention to the broader political-economy, international development goals or the influence of other factors in the broader country environment.

26. In terms of sustainability, the need to ensure demand for functions and services developed through technical assistance was highlighted. In some countries and/or situations, it was noted that regulatory powers are used to generate artificial demand for health certificates or mandatory tests which are not required by the market. Some speakers noted that it was good practice to separate regulatory powers and service provision. Similarly, comments were made regarding the limitations of providing training on advanced techniques (e.g. sophisticated laboratory diagnosis methods) when the facilities and equipment necessary to utilize these skills were unavailable within countries. In this context, the value of combining assistance for skills development, institution building and equipment was noted.

27. The importance of political support and commitment was also raised in the context of sustainability. In this regard, some participants expressed concerns about limited high-level awareness of the need for and benefits of SPS capacity, and the relationship between SPS issues and economic development, public health, etc.

28. While there was recognition that the Paris Principles provided a good framework to improve the delivery, impact and sustainability of technical assistance, there was less clarity about how practically to implement good practices on the ground. In addition, it was observed that beyond a small number of officials in planning or international co-operation departments there was generally limited awareness or knowledge about these principles in beneficiary countries. Suggestions for follow-up work focused on:

- (i) the need to increase awareness about the Paris Principles and good practices in SPS-related technical assistance;
- (ii) the development of a framework and indicators to assess impacts relatively quickly and easily;

- (iii) case studies on how a value-chain approach has enhanced trade performance for particular commodities or to consider the cumulative effects of technical assistance in the SPS area over time; and
 - (iv) ongoing co-operation with the EIF to ensure that SPS issues are integrated into national development plans and budgetary processes.
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