



**Committee on Trade and Development
Aid for Trade**

STANDARDS AND TRADE DEVELOPMENT FACILITY

NOTE BY THE SECRETARIAT¹

1 INTRODUCTION

1.1. The Standards and Trade Development Facility (STDF) is a global partnership that supports developing countries in building sanitary and phytosanitary (SPS) capacity as a means to improve their human, animal and plant health situation and ability to gain and maintain market access. Many developing countries, and least developed countries (LDCs) in particular, identify SPS constraints among the key trade barriers. Countries may be unable to export food and agricultural products for instance due to their inability to document freedom from specific pests or diseases or due to unacceptable levels of pesticide residues or microbiological contamination.

1.2. The work of the STDF is guided by a five-year strategy (2012-2016) and built on the need to: (i) promote increased collaboration and interaction among providers of SPS-related technical cooperation; and (ii) continue strengthening the STDF as a knowledge platform for information exchange, sharing experiences, resource mobilization and identification and dissemination of good practice. The STDF also provides support and funding for the development and implementation of projects that promote compliance with international SPS requirements. In short, the STDF is a concrete example of Aid-for-Trade implementation, at an issue-specific level.

1.3. The partnership includes the Food and Agriculture Organization of the United Nations (FAO), the World Organisation for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the WTO. Other international and regional organizations involved in SPS-related technical cooperation, donors contributing funds to the STDF and selected developing country experts participate actively in the STDF's work.² The STDF is managed and housed by the WTO (Agriculture and Commodities Division) and reports regularly to the WTO SPS Committee. It also collaborates closely with the WTO Aid-for-Trade Unit and the Enhanced Integrated Framework (EIF) Secretariat.

1.4. An independent review of the STDF was completed in January 2014.³ It examined STDF's performance against evaluation criteria developed by the OECD – relevance, effectiveness, efficiency, sustainability and impact. The report notes that "the results are impressive and a testament to the effective operation of the STDF". The Facility's role in coordinating assistance projects is praised as "significant value added". The performance of the Secretariat is rated as "efficient and cost effective". Donors noted that STDF's grant funding program "allowed them to extend the range of their technical assistance programs on SPS issues at a fraction of the cost than if they were to do it themselves".

1.5. This document provides information to the Committee on Trade and Development on the main results achieved by the STDF, highlights ongoing and planned work, and includes information on how to benefit from the program. Members wishing to have more information on the STDF,

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.

² The STDF is currently supported by Canada, Denmark, European Commission, Finland, Germany, Ireland, Japan, Netherlands, Norway, Sweden, Switzerland, Chinese Taipei and The United States.

³ This review is the third evaluation of the Facility. Previous evaluations were completed in December 2005 and November 2008.

including on the projects and project preparation grants, are encouraged to visit the STDF website or contact the STDF Secretariat.⁴

2 ENHANCED COLLABORATION IN SPS TECHNICAL COOPERATION

2.1 Coordination forum and reference point

2.1. The STDF is a coordination forum for providers of SPS-related technical cooperation to promote synergies, achieve greater coherence, avoid duplication of effort, and enhance results. Members use STDF as a platform to share experiences, learn about what others are doing and obtain constructive feedback on their own SPS initiatives. Over the years, the STDF has identified and disseminated good practice in several cross-cutting thematic areas. This has resulted in the development of publications and guidelines and a number of short two-page briefing notes in English, French and Spanish that are frequently used by organizations and donors in projects, seminars, training workshops, etc. Some examples of STDF's thematic work are highlighted below:

- **Public-private partnerships to build SPS capacity**

Governments and the private sector are increasingly working together in the SPS area. Some public-private partnerships (PPPs) focus primarily on capacity building whereby the public and private sector work together – at the international, regional, national and/or sub-national level – to address specific SPS capacity constraints and/or take advantage of market opportunities. This STDF publication raises awareness about the potential value and role of PPPs in enhancing SPS capacity and provides practical guidance to facilitate and promote PPPs for SPS capacity development. It analyses the emergence, operation and performance of selected partnerships between government agencies responsible for food safety, animal and plant health and/or trade and the private sector.⁵

- **International Trade and Invasive Alien Species (IAS)**

Species that are introduced into new ecosystems via intentional or unintentional introductions are a major threat to biological diversity and can have serious consequences for human health, agricultural productivity and trade. The WTO SPS Agreement provides the legal basis for all sanitary and phytosanitary measures that affect international trade including several plant pests and animal diseases, many of which are invasive. This publication recommends countries to assess, monitor and manage IAS in accordance with relevant standards, guidelines and recommendations of two standard-setting bodies under the SPS Agreement, the International Plant Protection Convention (IPPC) and the World Organization for Animal Health (OIE). Making use of existing procedures and systems, including for phytosanitary and veterinary border control and quarantine, offers an efficient and cost effective approach for countries to prevent the introduction of IAS, in line with their obligations under the SPS Agreement.⁶

- **SPS-related capacity evaluation tools**

Needs analysis is a starting point for well-designed projects, ensuring that genuine priorities are tackled. Existing tools can be used to assess food safety, veterinary and plant health capacity in countries. These include the Performance of Veterinary Services (PVS) pathway developed by the OIE and the Phytosanitary Capacity Evaluation (PCE) tool, developed under the IPPC. The FAO is currently developing a new food safety capacity evaluation tool.⁷ This STDF publication provides information on the scope and use of these sectoral tools related to food safety, animal and plant health, as well as on a number of other cross-sectoral tools and related methodologies. It is a useful reference for all those interested in capacity evaluation and project development in the SPS area.

2.2. In 2009, the STDF developed a film entitled "Trading Safely: Protecting Health, Promoting Development". The film demonstrates - through case stories from Benin, Belize, Thailand and

⁴ See <http://www.standardsfacility.org>. The website includes a Virtual Library, i.e. a repository providing quick and easy online access to a variety of information resources focused on SPS technical cooperation.

⁵ See for more information: <http://www.standardsfacility.org/en/TAPPP.htm>

⁶ See for more information: <http://www.standardsfacility.org/en/TAIAS.htm>

⁷ The new FAO tool will be tested in a number of countries with STDF support, including Sierra Leone and The Gambia.

Viet Nam - why it is important to invest in building SPS capacity. The film is available in Arabic, Chinese, English, French, Russian and Spanish, and can be viewed and downloaded on the STDF website.⁸ It is widely distributed and shown at workshops, training courses and other events. In 2014, STDF will start working on the development of new audio-visual case stories that demonstrate the usefulness of specific approaches in building SPS capacity.

2.3. The STDF is currently re-developing its website by converting it into a content management system. The new website will also incorporate new technology to allow for more functionality and to improve overall user experience. The new website will be launched in July 2014.

2.2 Trade facilitation in the context of the SPS Agreement

2.4. Current work in the STDF focuses on the implementation of SPS measures to facilitate safe trade. The increasing attention on trade facilitation as a means to stimulate economic growth and competitiveness has generated a renewed focus on SPS measures and the extent to which, if any, these measures unnecessarily increase the cost (including time) of doing business. At the same time, the recent adoption of the WTO Trade Facilitation (TF) Agreement is expected to give further impetus to technical assistance programmes in this area, which provides opportunities to build and strengthen SPS border management capacity. The TF Agreement will generate additional Aid-for-Trade support and STDF's work can help in enhancing dialogue among border agencies and in providing timely inputs towards the integration of SPS-related components in broader trade facilitation programmes.

2.5. The objectives of STDF's work in this area are to identify key needs, opportunities and good practices to improve SPS implementation in a way that facilitates trade and make recommendations to enhance future work and technical cooperation in this area. Towards these objectives, the STDF has commissioned research in selected countries in Asia⁹ and Africa¹⁰ to: (i) examine how SPS measures are applied in practice to imports, exports and transit goods in light of the relevant provisions of the SPS Agreement, in particular Article 5.6 (least trade restrictiveness of measures) and Article 8 and Annex C (Control, Inspection and Approval Procedures); and (ii) identify transaction costs/delays that could be reduced/avoided without compromising SPS objectives.

2.6. A thematic session was held back-to-back with the SPS Committee meeting on 26 March 2014, attended by around 200 participants including SPS and trade facilitation delegates and observer organizations. Preliminary conclusions and recommendations of STDF's work were presented and discussed. The Inter-American Development Bank (IaDB) presented the results of a parallel research effort in Latin America focusing on the efficacy and efficiency of border post quarantine controls in that region. Many interventions highlighted the synergies and concrete opportunities for win-win outcomes, i.e. by enhancing the efficacy and effectiveness of SPS measures while minimizing transaction costs. Some participants viewed that care should be taken that "trade facilitation" will not risk promoting trade at the expense of "health protection".

2.7. A background note and the presentations from the thematic session can be found on the STDF website.¹¹ It is expected that reports of the work in Asia and Africa will be finalized and published this summer.

2.3 Prioritizing SPS investment options

2.8. Building on previous STDF work on the use of economic analysis to inform SPS decision-making, the STDF is currently supporting the development and application of a practical decision-support guide, based on Multi Criteria Decision Analysis (MCDA), to help developing countries prioritize options to strengthen SPS capacity for market access. Application of the guide can help to: (i) enhance the economic efficiency of SPS 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.

⁸ See: <http://www.standardsfacility.org/en/IRVideos.htm>.

⁹ Cambodia, Lao PDR, Philippines, and Thailand.

¹⁰ Botswana, Malawi, Mozambique, South Africa, Zambia, and Zimbabwe.

¹¹ See: <http://www.standardsfacility.org/en/TATradeFacilitation.htm>

2.9. The guide has been applied with success in Belize, Mozambique, Viet Nam and Zambia with STDF support and was also applied in several other countries in Africa (including Ethiopia, Malawi, Namibia, and Uganda), with support from the Common Market for Eastern and Southern Africa (COMESA) and USDA/USAID. In June 2013, at a workshop in Geneva, partners, donors and developing countries discussed how to improve the existing process and recommended that the STDF revise and finalize the current user guide to clarify its scope and make it more user-friendly. This work will start in the second half of 2014. More information on this work, including STDF events and publications, and experiences of countries where the guide has been used, can be found on the STDF website.¹²

3 PROJECT DEVELOPMENT

3.1. The STDF provides advice and support to beneficiaries on issues related to SPS project development and finances project preparation grants (PPGs) to assist beneficiaries in the articulation of their SPS needs and the development of technically sound and sustainable project proposals. Seed funding up to US\$50,000 is available for PPGs, which can be used for any of the following purposes (or a combination thereof): (i) application of SPS-related capacity evaluation and prioritization tools; (ii) preparation of feasibility studies that precede project development to assess the potential impact and economic viability of proposals (expected costs and benefits); and/or (iii) preparation of project proposals (for funding by STDF or other donors). A total of 62 PPGs have been approved and funded by the STDF since its inception.

4 PROJECT FUNDING

4.1. Grant financing up to a maximum of US\$1 million is available from the STDF for projects that aim to improve countries' SPS compliance and ability to gain and maintain market access. Favourable consideration is given in particular to projects that focus on the identification, development and dissemination of good practice in SPS-related technical cooperation, the use of regional approaches to address SPS constraints; as well as collaborative and interdisciplinary approaches focused on the interface/linkages between human, animal and plant health and trade. A total of 68 projects have been funded by STDF since its inception, benefiting 43 countries. More than 20 projects are regional in scope.

4.2. Since its inception, the STDF has devoted 54% of its project resources to LDCs and other low income countries (OLICs), as shown in Figure 1, below.¹³ Notably, the allocation of PPG resources to LDCs and OLICs remains high (i.e. 80% of the overall budget for PPGs). Figure 2, below, indicates that 52% of the number of STDF projects and PPGs benefit Sub-Saharan Africa, 19% Asia and the Pacific, 16% Latin America and the Caribbean, 10% Global, and 3% Other.

Figure 1: STDF projects and PPGs (US\$)

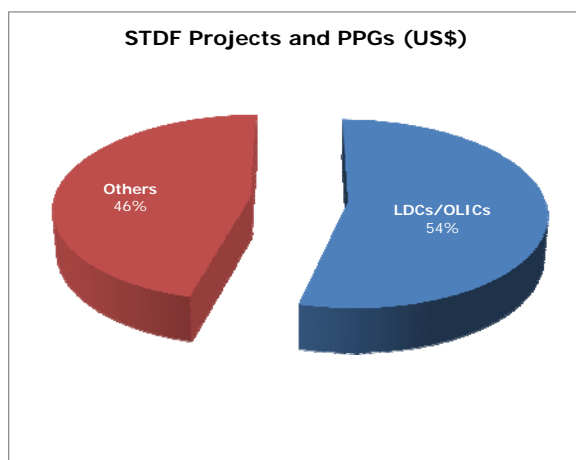
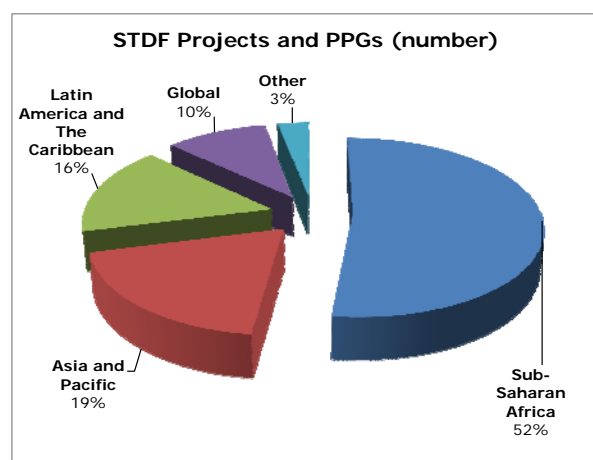


Figure 2: STDF Projects and PPGs (number)



¹² See: <http://www.standardsfacility.org/en/TAecoAnalysis.htm>.

¹³ The STDF continues to meet its target to devote at least 40% of its project resources to LDCs and OLICs.

4.3. Applications for STDF funding can be made at any point in the year but should be received at least 60 working days in advance of each Working Group meeting in order to be considered at that meeting. The next deadline for the submission of applications is **18 July 2014**.

Recommended steps to follow when seeking PG or PPG funding opportunities with the STDF:

1. Browse our PPG <http://www.standardsfacility.org/en/PGPpgStat.htm> and PG <http://www.standardsfacility.org/en/PGProStat.htm> webpages for examples of previous projects.
 2. Carefully read our guidance note for applicants: http://www.standardsfacility.org/Files/Forms/STDFGuidanceNote_en.pdf.
 3. Consult relevant stakeholders in the country/region.
 4. Send us a brief concept note of your potential project for feedback on eligibility and likelihood of funding (STDFSecretariat@wto.org).
 5. Fill out an application form (<http://www.standardsfacility.org/en/FDAppForms.htm>) and submit it electronically before the deadline.
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