

WORLD TRADE ORGANIZATION

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Committee on Sanitary and Phytosanitary Measures

OPERATION ON THE STANDARDS AND TRADE DEVELOPMENT FACILITY (STDF) AND WORK PLAN FOR 2004

Note by the Secretariat¹

1. The Standards and Trade Development Facility (STDF) is a joint initiative of the FAO, OIE, World Bank, WHO and WTO. The STDF grew out of the Doha WTO Ministerial meeting held in Qatar in November 2001 at which the heads of the five organizations committed themselves to work together to strengthen the capacity of developing countries in meeting SPS standards. From this joint commitment, the STDF was launched in September 2002.
2. The strategic aim of the STDF is to assist developing countries enhance their capacity to meet international sanitary and phytosanitary (SPS) standards, improving their human health, animal health and phytosanitary situation, and thus gaining and maintain market access. In addition to facilitating international trade, SPS capacity building, notably in the area of food safety, can result in improved health conditions for local markets and so favour economic and social development.
3. The STDF is both a financing and a co-ordinating mechanism. Grant financing is available for private and public organizations in developing countries seeking to comply with international SPS standards and hence gain or maintain market access. Applications are particularly encouraged from stakeholders in least-developed countries. The STDF annual work programme will consist of a mixture of project preparation grants and projects.
4. At the present time, the STDF is in a "start-up phase". Seed funding of US\$300,000 per year has been provided by the World Bank from its Development Grant Facility (DGF). The WTO has also contributed CHF 100,000 from the Doha Development Global Trust Fund in 2003 and 2004. However, the World Bank's DGF funding cannot exceed three years and ends on 30 June 2005. After that date, the Facility must attract financial commitments from other sources to continue. For the Facility to prosper, it must be placed on a more stable and sustainable long-term financial footing.
5. To attract funding for the Facility and to strengthen the operation of the STDF, the partners have drafted a Business Plan. The Business Plan explains in detail the organization of the Facility, its mechanisms and related eligibility criteria. Once approved by partner agencies, this document will be circulated to donor agencies.
6. To date, few proposals have been received from outside the partner institutions of the STDF.² Therefore, projects undertaken have been those tabled by the partner agencies. This situation is not

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 Proposals have been received from Uganda, the Philippines, Cameroon and Lithuania to date. Unfortunately, none of the proposals met the eligibility criteria for the STDF. However, in the case of Uganda and Cameroon, some of the substance of the proposals has been taken up in other project proposals.

expected to continue. It is envisaged that as the Facility grows, projects tabled by the partners will decline in number and financial importance in the overall fund.

7. Once the Business Plan is approved the partners can be more pro-active in bringing the Facility to the attention of potential applicants through:

- the STDF Website www.standardsfacility.org (now available in English, French and Spanish language versions);
- information provided to Geneva-based missions and national experts through the SPS Committee; and
- input in regular technical assistance activities of the partners (e.g. such as WTO regional workshops and national seminars and equivalent activities of other partner agencies).

8. As of April 2004, financing of approximately US\$380,000 was available for projects between 1 July 2004 and 30 June 2005. Growth in the number and nature of activities undertaken depends on the level of financing provided by donors.

9. Two key areas stand out as priority areas for future activities.

Building on needs identified in the Integrated Framework and JITAP processes

10. Various needs in the SPS field have been identified through the Integrated Framework and JITAP needs assessment exercises. It is envisaged that needs identified by countries could be developed into projects. For example, in the Integrated Framework action matrices of several African countries a number of activities have been identified in the animal health sector such as recognition of disease freedom, improvement of information on the livestock sector both for disease control and commercial operators and penetration of export markets in neighbouring countries. It is envisaged that such needs could be addressed either through the development of projects using the project preparation grant or through project proposals from partner organizations.

Utilising SPS capacity evaluation and planning

11. Capacity evaluation tools have been developed in the plant health area by IPPC and in the food safety area by Codex and are in development, through STDF funding, for the animal health sector by OIE. In addition, an overarching methodology designed to look at the cost-benefit analysis of different interventions is being developed by a project to be funded as part of the 2004 work plan. It is envisaged that these tools could be applied to countries in need of such evaluation methodologies (identified by responses to the WTO technical assistance questionnaire). Application of these participatory methodologies would also have the effect of identifying future projects for possible funding through the STDF.

2004 WORK PLAN

12. Activities to be funded as part of the STDF work plan for 2004 can be separated into new activities approved by the Working Group in the first quarter of 2004 and on-going activities approved in 2003. Further activities may be added to the work plan after the Working Group meeting scheduled for the second half of 2004.

A. NEW ACTIVITIES

STDF 19: Model arrangements for SPS stakeholder involvement at the national level

13. The goal of this project is to improve SPS-related information flow as well as information sharing between the public and private sectors with positive spin-offs for market access. The wider objective of this project is to improve the capacity of stakeholders in the public and private sectors of developing countries to work in an international trading system that applies demanding standards in the area of food safety and animal and plant health. This improvement in institutional capacity should then translate into an improvement in export performance. The project will be organized in three stages.

14. Stage 1 will be the establishment of the project organization structure including the working framework and operational mechanisms to develop and strengthen links between stakeholders in two case study countries. This stage will also include a literature review of examples of best practice of SPS co-ordination activities and an assessment of the current practices for SPS co-ordination and technical capacities in the study countries.

15. Stage 2 will facilitate the formation or strengthening of an SPS coordination group within each country. Different stakeholders in SPS activities (identified and interviewed during the first stage) will be invited to form a national SPS co-ordinating body. Special attention will be paid to develop consultative structures that involve private sector stakeholders.

16. In Stage 3, the parameters for best practice in co-ordinating SPS activities will be reassessed based on the experience gained and a final project report produced.

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

17. The goal of the project is to facilitate sanitary and phytosanitary (SPS) capacity building in both the private and public sectors. The goal will be achieved by making available a planning methodology responsive to economic objectives and which encourages a cooperative relationship between donors and private and public sector stakeholders in recipient countries. The project will demonstrate in selected countries an integrated approach to planning and executing SPS capacity-building, with special emphasis on enhancement of export market access for agricultural, food, fishery, horticulture and forest products of developing economies. The project will be organized in four stages.

18. In Stage 1, a methodology will be developed for evaluating SPS capacity at national level. The methodology will identify key economic sectors (e.g. livestock, arable, food processing, fisheries, forestry), look at private/public interaction relevant for these sectors, study the state of SPS legislation and enforcement and draw conclusions on the SPS capacity of the country in both the public and private sector. The methodology will build on existing IPPC, Codex and OIE tools as well as those developed by other relevant organizations (e.g. IICA) to produce a single generic planning tool. One essential element of the methodology will be a cost-benefit analysis framework to gauge the impact of different resource allocation decisions. A key parameter will be the ability of the sectors selected to maintain or expand export market access.

19. In Stage 2, the methodology will be applied in two pilot countries chosen on the basis of technical assistance questionnaires submitted to the WTO and requests made for project funding under the STDF. The methodology will be applied with a participatory approach pulling in expertise from the public and private sectors. The results of the methodology will then be used to report on SPS capacity and develop an action plan for each country.

20. Stage 3 will mobilise resources for the national action plans. The plans will make use of national budget resources and identify where international donor support is necessary. Once

completed, these reports will be presented by the national authorities to donors, both in-country and in other appropriate venues.

21. In the fourth and final stage, the consultant will revise the methodology in the light of the experience gained during the project, and prepare a guidance document to facilitate the use of the methodology in other developing countries.

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

22. This project aims to increase the capacity of low income countries to use risk analysis techniques to develop their own food standards; to participate in the Codex standard-setting process; and to understand and comply with, in the development of these standards, international obligations under the relevant WTO agreements. This project will provide a model for implementation of this programme in other regions of the world. The project will be organized around the following four activities:

- preliminary survey of needs of participating countries;
- development of a training programme based on the results of the needs assessment and covering such topics as risk analysis, risk management, practical case studies, legal framework for standards, identification of stakeholders, drafting of standards, assessment of regulatory impact;
- delivery of training programme; and
- survey and evaluation of the course and its results 6 months after the conclusion of the training course.

23. The project will be partly funded by the STDF and partly funded from FAO sources.

STDF 10: International Portal on Food Safety, Animal and Plant Health project

24. This project builds on existing work by the FAO on the International Portal on Food Safety, Animal and Plant Health. The portal is a powerful source of information on international standards and of national legislation and regulations on food safety, animal and plant health. The aim of this project is to:

- extend the country coverage of the Portal on a pilot basis to one least-developed country and one middle income developing country;
- develop a portal implementation handbook to assist countries in the establishment of a national internet-based site for the exchange of official legislation and regulations on food safety, animal and plant health; and
- assist countries meet their transparency obligations under the SPS Agreement by ensuring that legislation in force is "available in such a manner as to allow interested Members to become acquainted with them". Portal links in each country will be maintained by the SPS Enquiry Point.

25. The project will be partly funded by the STDF and partly funded from FAO sources.

STDF 15: Expanding SPS Capacities at National and Regional Levels

26. The aim of this project is to promote greater co-ordination at regional level between the partners both in regular activities and in the delivery of technical assistance. To date, the STDF has focused on improved co-operation between staff at Secretariat level. The objective of this pilot project is to duplicate this enhanced co-operation also in the regions through training for the OIE's regional representation offices. If successful, the project would be repeated for the regional offices of other partner agencies. Expected benefits include:

- creation of regional inter-partner networks for information dissemination and training;
- greater understanding of inter-agency roles in animal disease and zoonoses emergency situations, allied to structured consultation procedures;
- improved technical capacity to deliver assistance on the part of partner organizations, in particular OIE; and
- avoidance of duplication in projects and or production of training materials by partners.

B. ON GOING ACTIVITIES STARTED IN 2003***STDF website***

27. A website for the STDF has been established at www.standardsfacility.org. In addition to information on the STDF and how to apply, each of the partner organizations has made available their training materials on SPS-related standards. Further materials will be added in 2004 as part of the co-ordination function of the STDF. Furthermore, the website is also being made available in French and Spanish language versions.

STDF 5: STDF Database

28. In the final quarter of 2003, a database on SPS technical assistance was established. The objective of the database is to provide an overview of planned and delivered SPS-related technical assistance; to assist coordination between the partner institutions of the STDF; to enable information sharing between institutions thereby creating opportunities to identify gaps and exploit synergies; and to minimize and/or avoid duplication in the provision of technical assistance.

29. The database is an on-going activity and at present the period of coverage is 2001 to 2003. Data on technical assistance activities in the SPS area is reported from the five partner institutions, multilateral agencies, regional and bilateral donors and harvested from the existing WTO/OECD Trade-Related Technical Assistance and Capacity Building database. In April and in the final quarter of 2004, further data collections are planned. These data collection exercises should yield further useful information on trends in technical assistance in this area. The database can be consulted at <http://stdfdb.wto.org>. A search of the database can be performed by one of four STDF categories (food safety, plant health, animal health and a general category) or by beneficiary country, donor country or agency.

STDF 14: OIE veterinary capacity evaluation project

30. Capacity evaluation tools exist in the plant and food safety areas, but not in the area of animal health. As such, the STDF funded a project proposal from OIE to develop such a veterinary capacity evaluation tool. The project aims to develop a specific diagnostic tool capable of evaluating the capacity of national veterinary services to meet international zoosanitary obligations in an efficient and sustainable manner. The instrument will measure capacities of various countries through an

inventory of the functions and resources available to comply with zoosanitary obligations according to the OIE standards. The instrument will be refined in co-ordination with OIE regional offices in the Americas and Africa. Once complete it is expected that the self-diagnostic tool will assist developing countries to prepare internal and external grant applications for projects on technical and administrative infrastructure improvements.
