

Committee on Sanitary and Phytosanitary Measures

**UPDATE ON THE OPERATION OF THE STANDARDS AND
TRADE DEVELOPMENT FACILITY**

Note by the Secretariat¹

Background

1. The aim of the Standards and Trade Development Facility (STDF) is to assist developing countries enhance their capacity to meet international sanitary and phytosanitary (SPS) standards, improving the human health, animal health and phytosanitary situation, and thus gaining and maintaining market access.
2. The STDF is both a financing and a coordination 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. The STDF provides funds for two types of grants: project preparation grants and project grants. Project preparation grants up to US\$20,000 aim to act as a bridge between the identification of technical assistance needs and the development of coherent project proposals. The STDF also funds project grants. The size of grants typically ranges between US\$300,000 and US\$600,000. Applicants must assume some of the financial cost of the projects.²
3. Funding applications are reviewed at meetings of the STDF Working Group.³ Applications need to be submitted 45 working days in advance of each Working Group meeting. The next Working Group meeting is scheduled for 6-7 September 2005 to be held at WHO offices in Geneva. The deadline for the receipt of projects for the September meeting is 1 July 2005. Projects submitted after that date will be evaluated at the next Working Group meeting in early 2006.

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 Applicants from least-developed countries must meet at least 10 per cent of the cost of the project from their own resources, while other developing countries are required to fund at least 25 per cent of the project cost. Further information on eligibility criteria, the application process and governance arrangements for the STDF can be found in document G/SPS/GEN/523.

³ The STDF Working Group comprises representatives of the five partner organizations (FAO, OIE, World Bank, WHO and WTO) as well as donor representatives. Arrangements are also being finalized on a formula for representation by stakeholders in potential beneficiary countries.

4. Further information on the STDF, including the Business Plan, application forms and information on projects approved can be found at the STDF website www.standardsfacility.org. The website also contains training materials collected from partner agencies (FAO, OIE, the World Bank, WHO and WTO) and a link to the database on SPS technical activities for the years 2001-2003.

Status of project implementation

5. The STDF Working Group met on 11 March 2005. At the meeting, a project grant and eight project preparation grants were approved. The project grant concerns assistance to developing countries in the implementation of the Codex Alimentarius Code of Practice for Animal Feeding (project STDF 56). Project preparation grants were approved for the development of projects in Benin, Cambodia, Djibouti, Guinea, Malawi, Mozambique, Yemen and for a project assisting regional SPS co-operation among South Asian Association for Regional Co-operation countries.

6. An overview of the status of implementation of STDF project grants is provided in Table 1 and of project preparation grants in Table 2. An updated work plan for 2005, including short summaries of on-going projects can be found in Annex 1 to this document.

Table 1: Status of implementation of STDF project grants

Project title	Implementation status	Project budget
STDF 56: Capacity building for implementation of the Codex Alimentarius Code of Practice for animal feeding	Project approved in March 2005. Contract signed with International Feed Industry Federation. Implementation scheduled to begin in July 2005.	\$150,000
STDF 37: Assistance to Developing Countries in the Implementation of ISPM 15 (Guidelines for regulating wood packaging material in international trade)	Project approved in September 2004. Project centrepiece, a workshop on implementation of ISPM 15, was held in Vancouver, Canada on 28 February – 4 March 2005. Project nearing completion. Training materials related to the workshop can be found on the IPPC website at www.ippc.int	\$332,000
STDF 13: Development of a Strategy and Action Plan for Selected African Regions to Enhance Public and Private Sector Capacity in Meeting Sanitary Standards for International Trade of Livestock and Livestock Products	Project approved in September 2004. Awaiting detailed implementation plan from OIE.	\$305,000
STDF 14: OIE veterinary capacity evaluation project	Project approved in November 2003. Implementation on-going. The capacity evaluation tool (developed in collaboration with the Inter-American Institute for Co-operation on Agriculture) has been field-tested in South America. Tool will next be pilot-tested in two Sub-Saharan African countries. Project to finish in 2006.	\$37,000
STDF 20: Country-based plans for SPS-related development	Project approved in September 2004. Implementation on-going. Draft methodology submitted for comment. Fieldwork in Uganda and Peru planned for last quarter of 2005. Project to finish in 2006.	\$170,862
STDF 19: Model arrangements for SPS stakeholder involvement at the national level	Project approved in September 2004. Implementation on-going. Preliminary fieldwork undertaken in Paraguay and Sri Lanka. Awaiting methodology and follow-up fieldwork. Project to finish in 2006.	\$291,218
STDF 9: Model Programme for Developing Food Standards within a Risk Analysis Framework	Project approved in November 2003. Implementation delayed, but planned to begin July 2005. Project to finish in 2006.	\$70,848
STDF 10: International Portal on Food Safety, Animal and Plant Health project	Project approved in November 2003. Implementation on-going with fieldwork undertaken in Turkey and planned in Uganda. Project to finish in 2006.	\$59,400
STDF 15: Expanding SPS Capacities at National and Regional Levels	Project approved in September 2004. Implementation on-going. Training syllabus developed and tested. Implementation to begin with two workshops in September and October 2005. Project to finish in 2006.	\$130,614
STDF 5: STDF Database	Project approved in June 2003. Database on SPS technical assistance has been established at http://stdfdb.wto.org . Data collection exercises took place in July 2004 and another is planned in July 2005. Data covers years 2001-2003.	\$73,474

Table 2: Status of implementation of STDF project preparation grants

Project title	Implementation status	Project budget
STDF 38: Agricultural Health and Food Safety Laboratory Needs Assessment for CARICOM Countries	Approved in September 2004. Implementation currently delayed.	\$20,000
STDF 62: Project preparation grant in Cameroon	Approved in September 2004. Consultant contracted. Fieldwork on-going and concentrated on application of FAO developed "Guidelines to Assess Capacity Building Needs in Official Food Control Systems". Grant application expected in September 2005.	\$20,000
STDF 67: Project preparation grant on aflatoxin in Malawi	Approved in March 2005. Terms of Reference being developed with FAO to design project to address post-harvest aflatoxin contamination problems in the paprika and groundnut sectors.	\$20,000
STDF 68: Project preparation grant on South Asian Association for Regional Co-operation (SAARC) SPS co-operation	Approved in March 2005. Terms of Reference in development for consultant to support efforts at regional co-operation on SPS among SAARC countries.	\$20,000
STDF 63: Project preparation grant in Benin	Approved in March 2005. Consultant contracted. Fieldwork on-going and concentrated on application of FAO developed "Guidelines to Assess Capacity Building Needs in Official Food Control Systems". Grant applications expected in September 2005.	\$20,000
STDF 61: Project preparation grant in Cambodia	Approved in March 2005. Consultant contracted. Fieldwork being undertaken in Cambodia. Grant application expected in September 2005.	\$20,000
STDF 64: Project preparation grant in Djibouti	Approved in March 2005. Consultant contracted to conduct field research and design project in the livestock sector in Djibouti. Grant application expected in September 2005.	\$20,000
STDF 65: Project preparation grant in Guinea	Approved in March 2005. Consultant contracted to build on UNCTAD evaluation of costs of compliance in the tropical fruit sector and design project application. Grant application expected in September 2005.	\$20,000
STDF 66: Project preparation grant in Mozambique	Approved in March 2005. Consultant contracted to build on UNCTAD evaluation of costs of compliance in the tropical fruit sector and design project application. Grant application expected in September 2005.	\$20,000
STDF 69: Project preparation grant in Yemen	Approved in March 2005. Terms of Reference in development for consultant to support efforts at resolving SPS issues in the fisheries sector.	\$20,000

Financial overview of STDF Trust Fund

7. Since the adoption of the STDF Business Plan in September 2004, the Facility has attracted financial commitments from a number of Members. Table 3 lists the financial commitments which have been made to the STDF since its inception. Financial commitments made by donors have ensured the short term sustainability of the Facility and good progress has been made towards the objective of a fund with annual resources of US\$5-7 million. Table 3 does not provide an overview of resources currently available in the STDF.

Table 3: Contributions to the STDF since its inception

Donor	Total Amount in \$US	Comment
World Bank	900,000	The World Bank contribution from the Development Grant Facility covers the years 2002-2005 for \$US 300,000 per annum. Funding ends on 30 June 2005.
WTO	350,000	A WTO contribution from the Global Trust Fund has been made the years 2002-2005 for \$US100,000 in the first two years and \$US150,000 in the third year. The 2005 contribution is designed to cover administrative costs arising from the running of the STDF
France	131,493	France contributed €100,000 in August 2004
Denmark	468,284	Denmark made a contribution to the STDF in January 2005.
Netherlands	1,183,500	The Netherlands donated €900,000 euros over a period of three years in 2004.
United Kingdom	1,623,377	The United Kingdom signed a Memorandum of Understanding with the WTO over a contribution of £850,000 to the STDF which will be disbursed in two instalments in 2005.
Canada	300,000	The Government of Canada made a contribution of \$Can 400,000 to the STDF in March 2005.

Co-operation with the Integrated Framework

8. In the Business Plan, a target was established that at least 40 per cent of Facility resources should be devoted to projects in Least-Developed Countries (LDCs). To achieve this objective, the STDF has collaborated closely with the Integrated Framework.

9. In document G/SPS/GEN/545, a review was undertaken of SPS standards-related issues which had been identified in the Integrated Framework (IF) process to date. To address some of the SPS standard-related needs expressed by LDCs in their Diagnostic Trade Integration Studies (DTIS), the STDF Working Group approved project preparation grants for six countries which have had an IF National Validation Workshop: Cambodia, Djibouti, Guinea, Malawi, Mozambique and Yemen. Consultants have been engaged to undertake these project preparation activities and project applications should be submitted for review at the September 2005 STDF Working Group meeting.

ANNEX I: UPDATED 2005 WORK PLAN

1. Paragraphs 12-25 of document G/SPS/GEN/523 set out a work plan for 2005. Further activities have been added to this work plan as a result of decisions taken by the STDF Working Group in March 2005. An updated work plan for 2005 is set out below.

2. Activities to be funded as part of the STDF Work Plan for 2005 can be separated into new activities which will start in 2005 and on-going activities approved in 2003 and 2004.

A. NEW ACTIVITIES

STDF 56: Capacity building for implementation of the Codex Alimentarius Code of Practice for animal feeding

3. A project grant has been approved for the development of a manual of Good Practices for Animal Feeding. This will be a practical guide to the Codex Code of Practice for Animal Feeding which was adopted by the Codex Alimentarius Commission in 2004. The manual will be disseminated through five regional workshops in support of the implementation of the Codex Code of Practice on Animal Feeding. These will take place in Brazil, China, Egypt, Kenya and India in 2005 and 2006. The manual and the workshops will inform key stakeholders in government, livestock production and the feed industry about safe feed production, GAP, GMP and HACCP for long-term development and sustainability of the feed and livestock industries. The project will be implemented by the International Feed Industry Federation (IFIF), an international NGO which brings together national and regional feed associations and federations, together with the FAO and a partner in a developing country.

STDF 37: Assistance to Developing Countries in the Implementation of ISPM 15 (Guidelines for regulating wood packaging material in international trade)

4. The project is being implemented by the IPPC Secretariat in conjunction with a number of collaborating agencies including the Canadian Food Inspection Agency, Canadian Forest Service, United States Department of Agriculture and government experts from Chile, Jamaica, Malaysia, South Africa, Sweden and the United Kingdom. The objective of the project is to facilitate understanding of ISPM No. 15 among developing and least-developed countries so as to ensure implementation of the standard and minimize disruption to trade. The project focuses on three key activities:

- A workshop to provide information and guidance for National Plant Protection Organizations (NPPOs) on implementation of ISPM No. 15, analyze difficulties in implementation and build consensus on how to resolve implementation issues in a consistent manner worldwide. The workshop was held in Vancouver, Canada on 28 February - 4 March 2005;
- The development of training materials to provide guidance to NPPOs on the implementation of ISPM No. 15; and
- The development of implementation plans for the national implementation of ISPM No. 15 in conjunction with relevant stakeholders, notably the private sector.

5. The project aims to enhance the capacity of countries and national plant protection officials to set up adequate infrastructure and systems to implement ISPM No. 15. Global implementation in a

consistent manner will protect natural resources, decrease the movement of pests harmful to plants and increase countries' market access and their ability to engage in trade.

STDF 13: Development of a Strategy and Action Plan for Selected African Regions to Enhance Public and Private Sector Capacity in Meeting Sanitary Standards for International Trade of Livestock and Livestock Products

6. The OIE, in collaboration with the FAO, the World Bank and the OIE African Regional Representation, is planning to undertake a project to develop regional strategies to enhance African veterinary services' and other stakeholders' capabilities to export livestock and livestock products. The project contains the following steps:

- A field review of current capacity in setting and implementing modernized veterinary services, compliant with sanitary standards for international trade according to the SPS Agreement, in selected African Regional Economic Commissions (RECs), with particular emphasis on public-private collaboration;
- A desk review to summarize new initiatives on the strengthening of veterinary services, including public-private partnership in the enforcement of sanitary standards;
- Preparation of draft regional strategies for strengthening public and private capacity to enhance export trade of livestock products, and protect health of domestic livestock resources and public health;
- Policy level workshops in each of two regions, to discuss these strategies;
- Preparation of country-specific pilot projects including improvements and modernization of veterinary services and public-private partnerships in each of the two selected zones; and
- Preparation of a toolkit for scaling up SPS animal health standards implementation, including training modules etc.

7. One of the pilot countries chosen will be an African country having identified animal health issues as a priority action area within the Integrated Framework process. Implementation of the project should begin in 2005 after the submission of an implementation plan by OIE.

STDF 38: Agricultural Health and Food Safety Laboratory Needs Assessment for CARICOM Countries

8. A project preparation grant has been approved for the CARICOM Secretariat to prepare a project to assess the agricultural health and food safety laboratory needs of countries in the region. The grant will be used to assist the CARICOM Secretariat in the design of a project to strengthen existing regional laboratory capacity and to avoid duplication of resources at national level. The grant is currently on hold while the CARICOM Secretariat put in place the necessary arrangements to undertake the project preparation.

STDF 62: Cameroon Standards Training

9. A project preparation grant has been approved by the STDF Working Group to assist the government of Cameroon in the preparation of a project on the basis of technical assistance needs identified in document G/SPS/GEN/401. As a preliminary step, the consultant will use the FAO developed "Guidelines to Assess Capacity Building Needs in Official Food Control Systems" to undertake an evaluation of the food control system in Cameroon from which the need for and design

of a project will be established. A project proposal should be submitted in time for the September STDF Working Group.

STDF 67: Malawi SPS compliance and diversification in groundnut and paprika production

10. From the Integrated Framework Diagnostic Trade Integration Study (DTIS) of Malawi, it is clear that agricultural diversification into groundnut and paprika is constrained by issues of post-harvest practices, in particular aflatoxin contamination. To address this issue, a project preparation grant has been approved by the STDF Working Group. Discussions are on-going with FAO on terms of reference for the project.

STDF 68: Assistance to SAARC Secretariat on regional SPS co-operation

11. A project preparation grant has been approved by the STDF Working Group to develop a grant proposal to support regional SPS cooperation among SAARC countries. The project idea stemmed from the DTIS of Nepal which highlighted the dependence of Nepalese agri-food exporters to the Indian market and the necessity for regional co-operation on SPS issues. The project will build on work already undertaken by the FAO on harmonization of national food standards with Codex standards. Discussions are on-going with national authorities in India over terms of reference for the project.

STDF 63: Project Preparation Grant for Benin

12. The International Institute for Tropical Agriculture (IITA) (part of the Consultative Group on International Agricultural Research) submitted a number of project grant applications to the March STDF Working Group meeting. Two of the project applications were considered of interest, but in need of revision before funding could be approved. To assist in the reformulation of these project proposals, a consultant has been recruited to work with IITA. The consultant will also use the FAO developed "Guidelines to Assess Capacity Building Needs in Official Food Control Systems" to undertake an evaluation of the food control system in Benin.

STDF 61, 64, 65, 66 and 69: Project preparation grants in Cambodia, Djibouti, Guinea, Mozambique and Yemen

13. Based on the analysis of DTIS presented in document G/SPS/GEN/545, and with a view to ensuring synergies between the Integrated Framework and the STDF, the STDF Working Group approved project preparation grants for five LDCs at its March 2005 meeting. Terms of Reference and consultants have been recruited for all countries, with the exception of Yemen - for which the Terms of Reference are being finalized. Work is on-going in Cambodia, Djibouti, Guinea and Mozambique. In Guinea and Mozambique, the preparation activities are building on work undertaken on SPS costs of compliance in the tropical fruit sector carried out by UNCTAD. In all countries, the Terms of Reference explicitly require co-ordination with on-going and future donor funded activities and contact with the local Integrated Framework contact points.

B. ON-GOING ACTIVITIES

STDF 14: OIE veterinary capacity evaluation project

14. The project is developing 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. Progress has been made in the implementation of this project. The OIE has developed the

tool in both English and Spanish language versions and applied it to pilot countries in the Americas. The OIE will now apply the evaluation tool to pilot countries in Africa and then make any necessary amendments to the tool. One of the pilot African countries chosen will be a country that has identified animal health as a priority action area within the Integrated Framework process. A number of organizations have already expressed interest in applying the tool elsewhere in the world.

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

15. The goal of the project is to facilitate 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 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 was tendered on a restrictive basis and Agra CEAS appointed to undertake the project. The methodology prepared by the contractor is currently being reviewed and fieldwork implementation is scheduled to begin in September 2005 in Uganda and Peru. The project is scheduled to finish in 2006.

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

16. The project aims 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 translate into an improvement in export performance. The project was tendered and a consultancy company, Abt Associates, was appointed. Project implementation began in early 2005 with fieldwork in Paraguay and Sri Lanka. The project is scheduled to finish in 2006.

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

17. This project aims to increase the capacity of low income countries in the Asian region 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 is partly funded by the STDF and partly funded from FAO sources. Implementation was delayed by administrative issues and is expected to begin in the second half of 2005.

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

18. 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 (Uganda) and one middle income developing country (Turkey). The project will be partly funded by the STDF and partly funded from FAO sources. After a delay while administrative issues were resolved, implementation began in early 2005. Further fieldwork is planned for the second half of 2005 in Uganda.

STDF 15: Expanding SPS Capacities at National and Regional Levels

19. The project has been revised so as to develop a training programme for delegates to the OIE and to deliver this training through the regional offices of the OIE. After development of the training syllabus, a first pilot workshop was held in April 2005. The training programme will now be initiated back-to-back with two WTO regional workshops planned for late 2005 (for Francophone African countries and for ASEAN countries) and further activities are scheduled in 2006. The aim of the project is to ensure greater coordination at the regional level between STDF partners both in regular activities and in the delivery of technical assistance.

STDF 5: STDF Database

20. In the final quarter of 2003, a database on SPS technical assistance was established. The database can be consulted at <http://stdfdb.wto.org>. 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. A further data collection exercise is scheduled for July 2005.

STDF website

21. 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. The website is being updated and further materials will be added in 2005 as part of the co-ordination function of the STDF. The website is being progressively made available in French and Spanish language versions.
