# Standards and Trade Development Facility (STDF)

A global partnership in SPS capacity building and technical cooperation



**CTD - Small Economies** 

23 October

# What do we do?

- A reference point for coordination and good practice of SPS capacity building
- Support and funding for development and implementation of projects that promote compliance with international SPS requirements

# **Members**

- Founding partners (FAO, OIE, WB, WHO, WTO)
- Selected developing country experts (6)
- Donors (13)
- Observers

Working Group (twice a year)

Secretariat (6 staff members)

Annual budget (target): US\$5 million

# **Thematic work on cross-cutting issues**

- Linkages between SPS and Trade Facilitation (2013)
- International trade and invasive alien species (2012)
- Public private partnerships in the SPS area (2010)
- Climate change and SPS risks (2009)
- Use of economic analysis to inform SPS decisionmaking (2009)
- Good practice in SPS technical cooperation (2008)

# **STDF Funding**

Grants for project development (PPG) Grants ≤ US\$50,000

Project grants (PG) STDF contribution ≤ US\$1 million, 3 year duration or less

28 out of 32 countries (direct or indirect beneficiaries of STDF projects)



# **Multi Criteria Decision Analysis**

A tool to inform SPS decision-making processes and help prioritize SPS capacity building options for market access

# Context

- Many countries face challenges complying with SPS measures in international trade
- SPS capacity-building needs are often substantial
- Challenges to establish priorities in face of resource constraints
- Information on which to base decisions often limited (supply and/or poor quality)
- Decision-making processes often ad hoc and lack transparency
- As a result, there is often a struggle to raise resources, while those resources that are available are often used inefficiently
- Need for more coherent and defensible priority-based decisions

# What is MCDA?

- Way of making choices on basis of multiple criteria
- Applied when:
  - Choices driven by more than one criterion
  - No one option is clearly the best
- Recognizes the need to make trade-offs when options perform well on some criteria and less well on others
- Widely used family of techniques in private and public sectors

# Aim of the MCDA framework

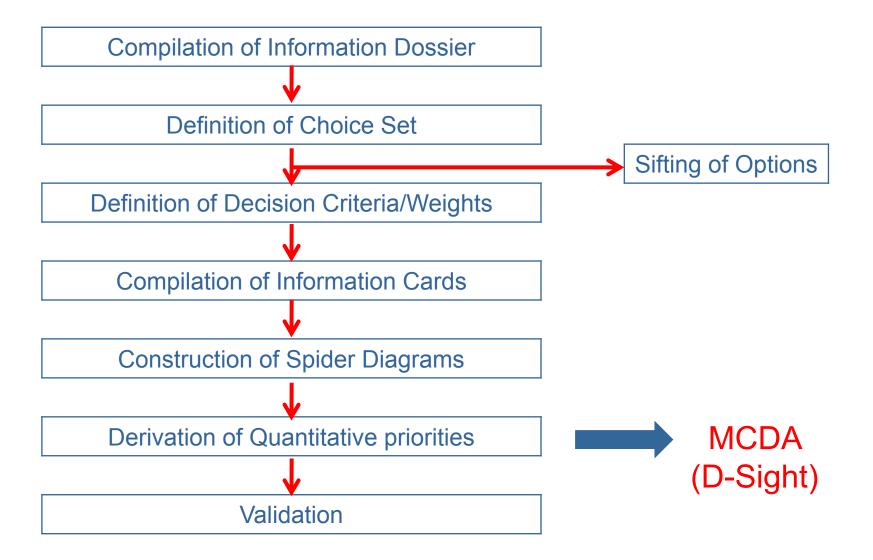
- Provide structured approach to establishing priorities between alternative SPS capacity building options (exports)
- Facilitates inputs from diverse public/private stakeholders
- Promotes transparency and *aids* decision-making

- Demand-driven capacity building
- Greater resource efficiency
- Enhanced trade and social outcomes and impacts

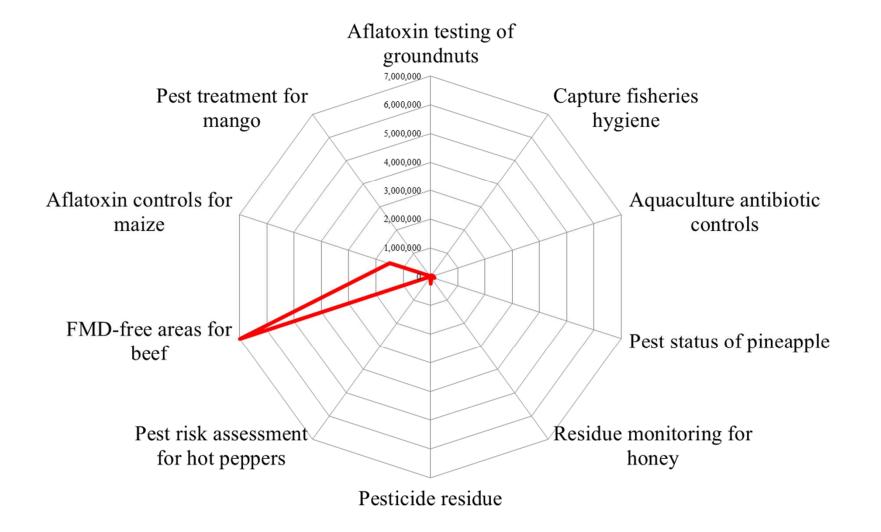
#### **Priority-Setting Framework**

Criteria	Weights	Options				
		Option1	Option 2	Option 3	<b>Option 4</b>	Option 5
Cost	20%	\$3 million	\$500,000	\$2 million	\$250,000	\$3 million
Growth in Exports	30%	30%	20%	50%	10%	15%
Small farmers	30%	No	Yes	No	Yes	Yes
Poverty impacts	20%	Minor	Major	Moderate	Minor	Major
Ranking		5	1	3	2	4

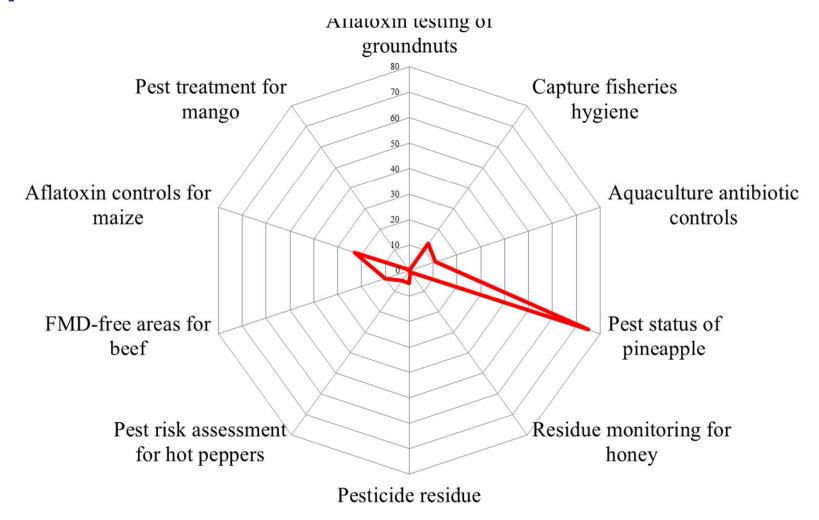
# **Stages in prioritization process**



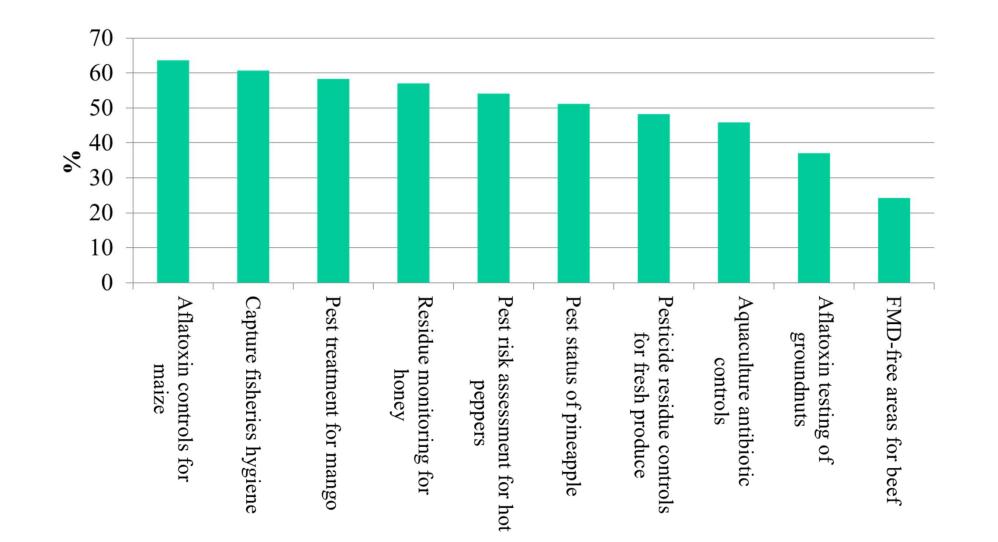
# **Decision criteria measures: up-front investment**



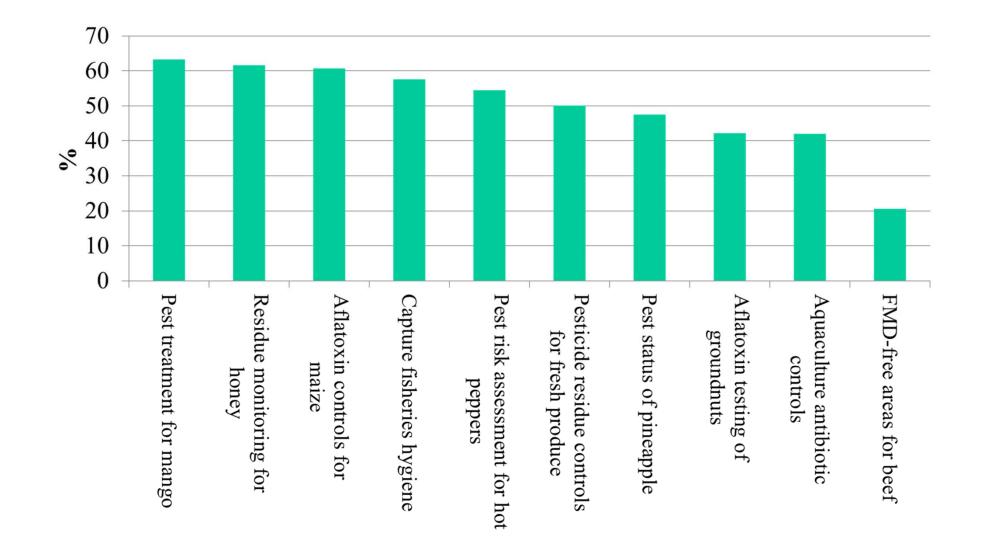
# Hypothetical decision criteria measures: trade impact



# **Baseline prioritization**



# **Equal weights prioritization**



# Where has the MCDA framework been used?

#### With STDF involvement:

- Pilot applications in Mozambique and Zambia (2011)
- Belize (STDF project, 2012)
- Regional MCDA workshops for Africa (Johannesburg, 2011) and Asia & Pacific (Bangkok, 2012)
- Viet Nam (ongoing)

#### By national teams with COMESA and USDA/USAID support:

- Ethiopia\*, Malawi, Rwanda, Seychelles, Uganda\*
- \* STDF provided license keys for the computer software (D-Sight) used to run the analysis to Ethiopia and Uganda

# Challenges

- Importance of a committed national driver / leader
- Outputs depend on inputs importance of access to available information and stakeholder participation
- Data collection requires time and effort avoid "rush" towards the software
- Asking and answering the right questions value of an inter-disciplinary team (food safety, animal/plant health and trade experts + economist)
- "Institutionalizing" the approach moving towards the use and re-use of MCDA (e.g. by national SPS committees)

# For more information:

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