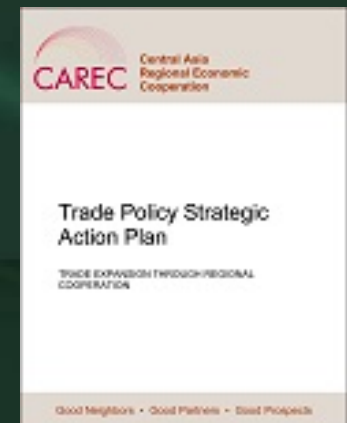
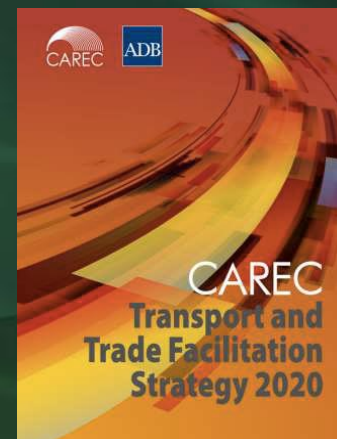


# CAREC Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures to Facilitate Trade

CAREC Trade Facilitation  
Consultation Workshop for Georgia  
23 February 2017

# What is the Common Agenda for SPS Modernization?

- An initiative endorsed during the 14<sup>th</sup> Ministerial Conference in 2015: modernize SPS systems and strengthen cooperation in SPS measures to complement Customs-related trade facilitation measures
- Part of ongoing integrated trade policy and trade facilitation programs



# Why is it important for CAREC?

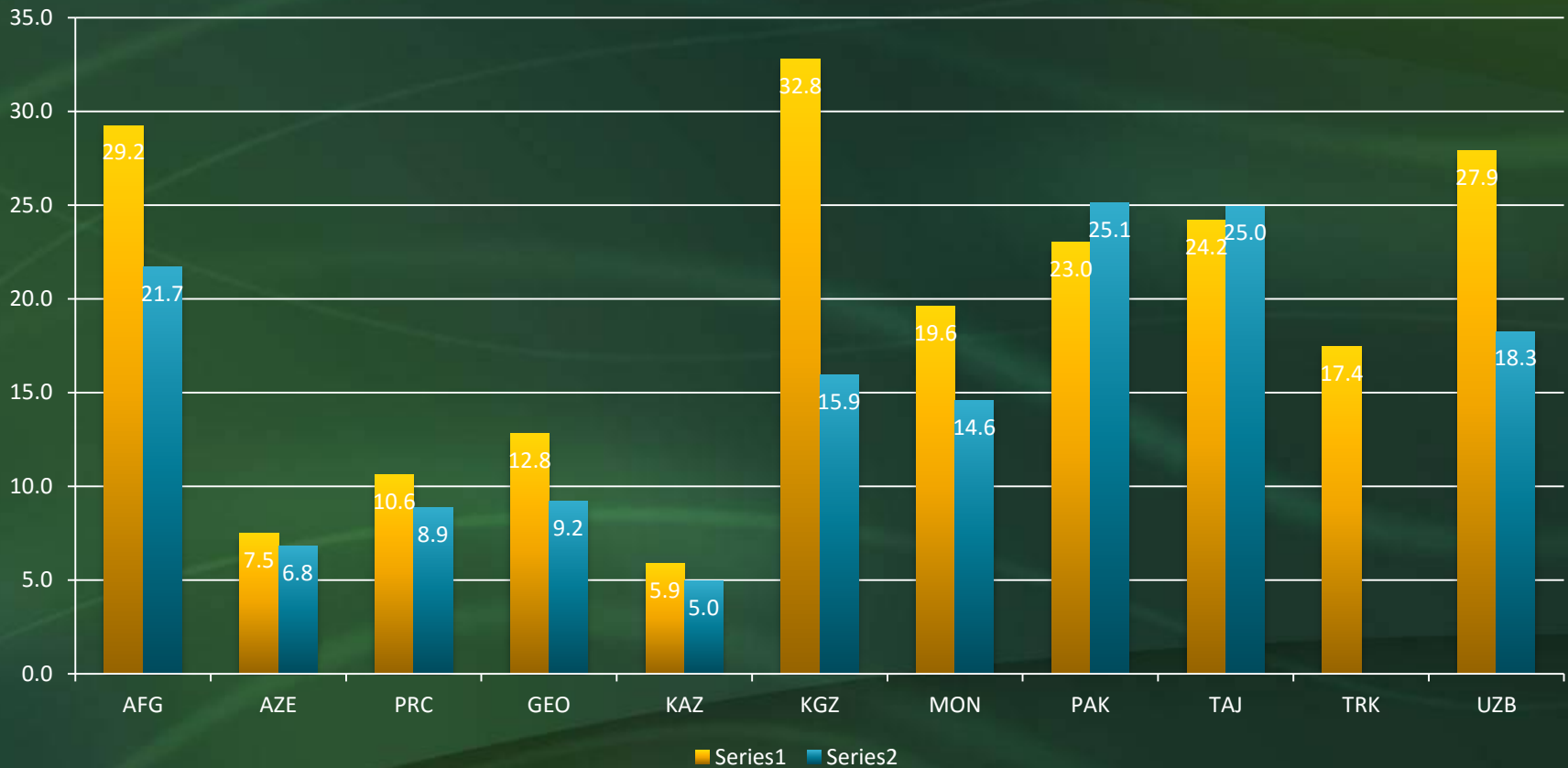
- Incomes and consumption demand are increasing faster than agri-food production

	Average Annual Growth from 2006-2015 in:			
	GDP	GNI per capita	Agriculture Value-Added	Consumption expenditure per capita
AFG	7.7		3.8	
AZE	9.6	10.5	3.3	9.6
PRC	9.6	9.1	4.2	9.1
GEO	5.1	5.7	0.7	
KAZ	5.5	4.3	3.5	6.9
KGZ	4.7	3.2	2.0	3.3
MON	8.4	6.1	7.7	10.1
PAK	3.7	1.9	2.9	1.1
TAJ	6.8	8.0	7.1	2.5
TKM	10.5			
UZB	8.3	6.7	6.3	

# Why is it important for CAREC?

## - Agriculture's share is falling

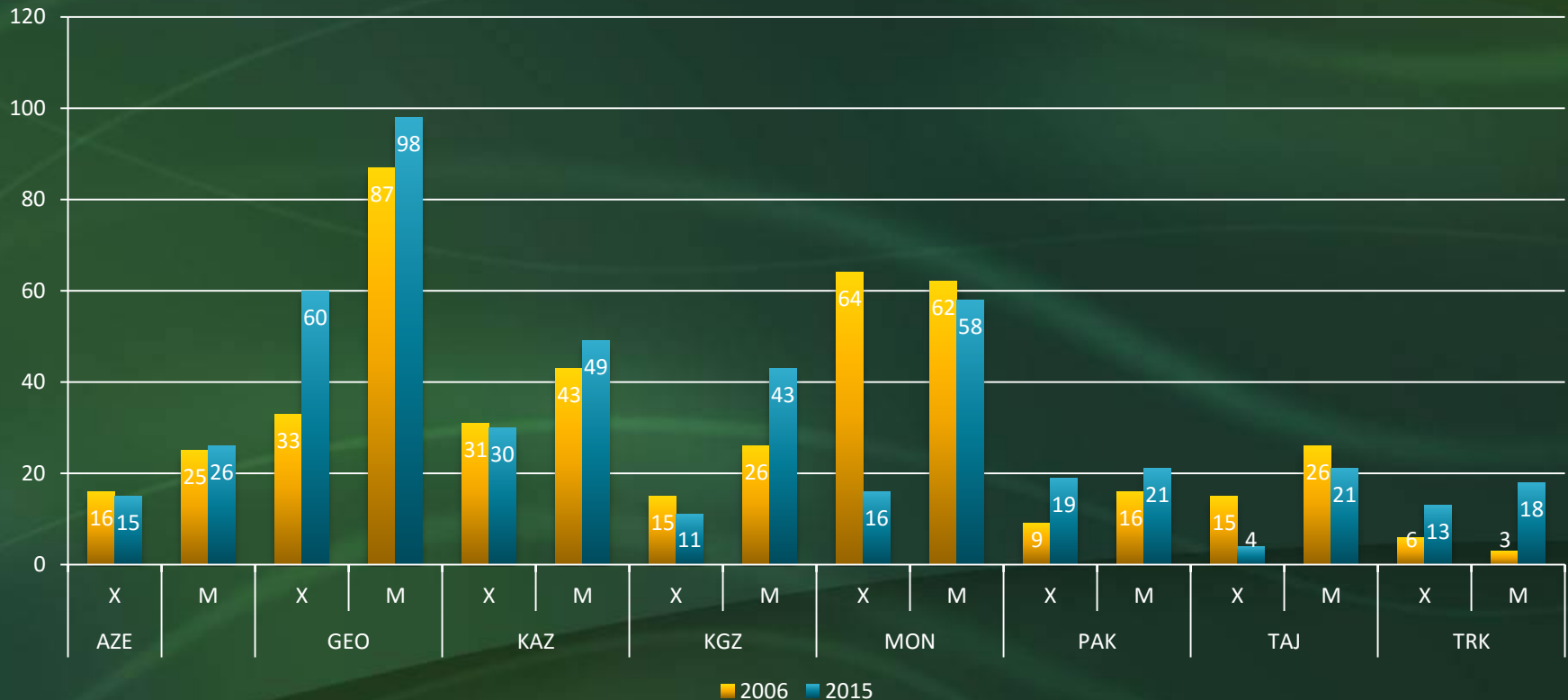
Agriculture Value Added as % of GDP, 2006 and 2015



# Why is it important for CAREC?

- In proportion to agriculture production, exports fell while imports rose

Ratio of Agriculture Trade in Production, 2006 and 2015

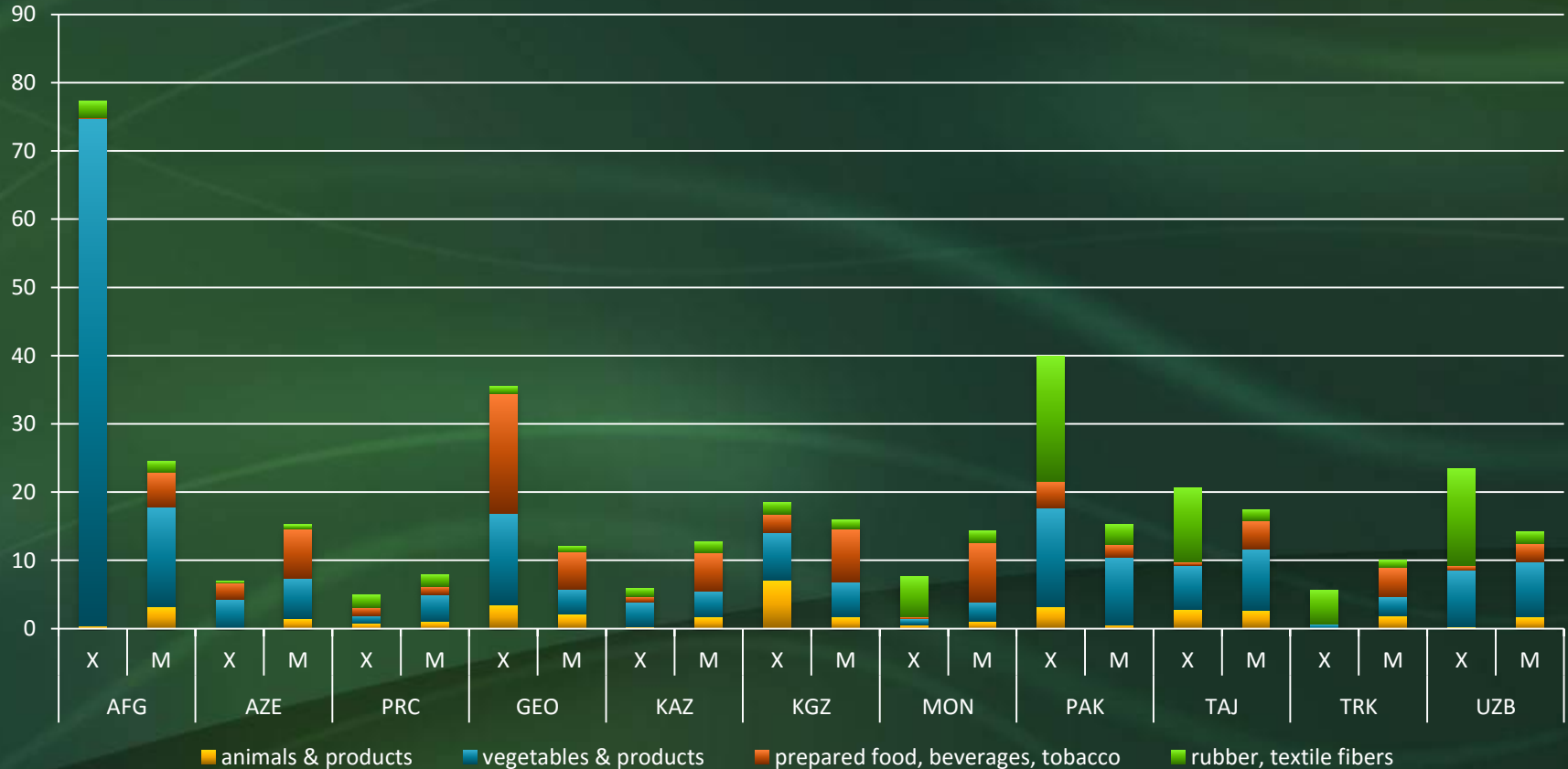


# Why is it important for CAREC?

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- Agriculture exports are a larger proportion of total exports than agriculture imports are of total imports

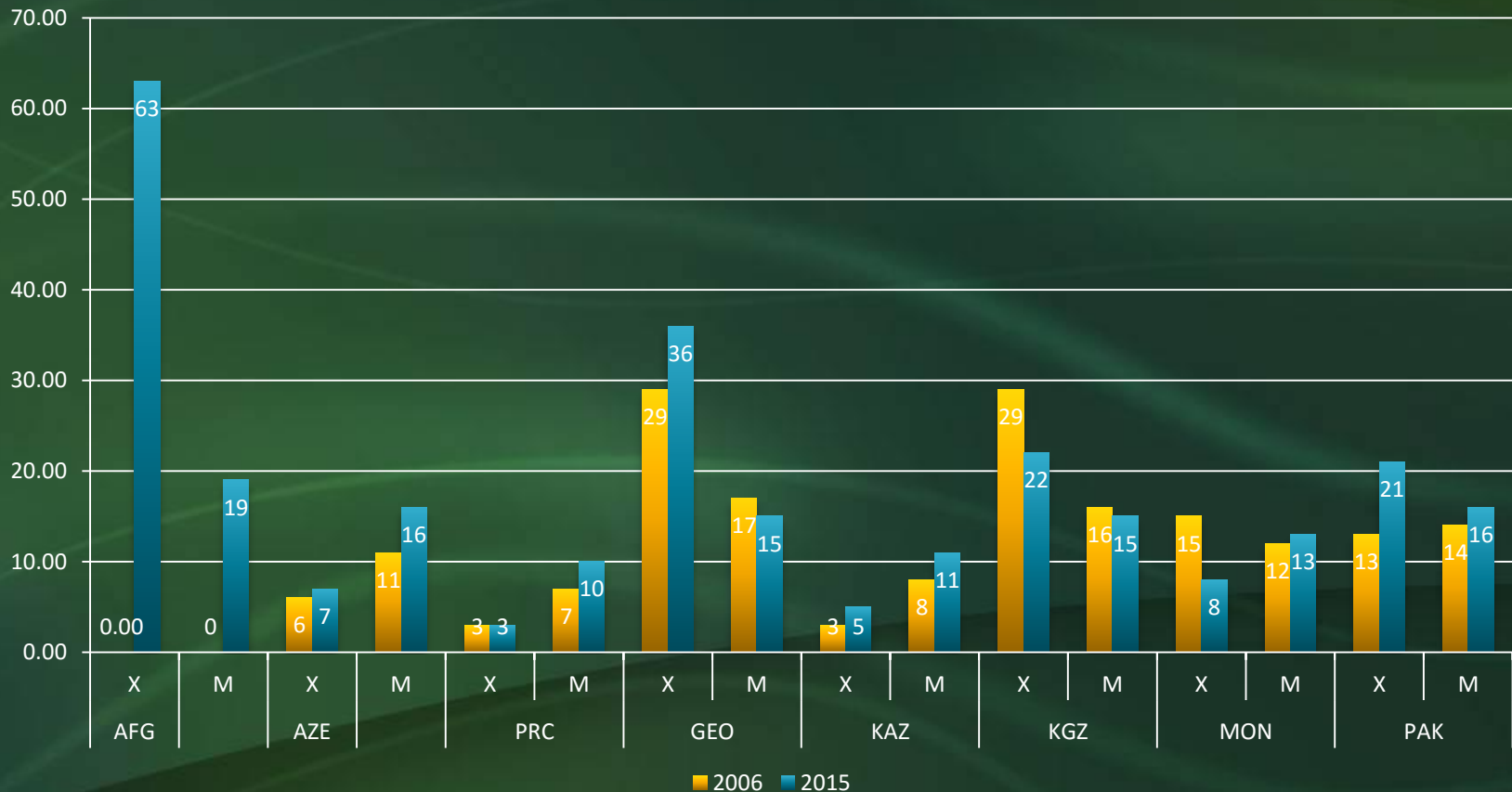
Share of Agriculture Trade in Total Trade,  
by Commodity Group, 2015



# Why is it important for CAREC?

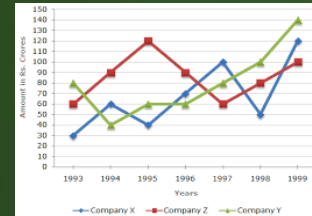
- Agri-food trade as a proportion of total trade has grown slowly

Share of Agriculture Trade in Total Trade, 2006 and 2015



# Summary of agri-food trends

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- Incomes and consumption demand are increasing faster than agri-food production growth
- Between 2006 and 2015, agriculture's share in GDP dropped from 28% to 18%
- Relative to agriculture production, agriculture exports fell (from 24% to 21%) while imports rose (from 36% to 42%)

Nevertheless,

- Agriculture exports are a larger proportion (22%) of total exports than agriculture imports are (14%) of total imports
- Agri-food trade as a proportion of total trade has grown in the last decade, though only slightly
  - Exports: 14.1% to 14.5%
  - Imports: 12.2% to 13.7%



# Global food and agriculture trends (FAO)

9

- Food demand is increasing while patterns of food consumption are changing towards more livestock products, vegetable oils, and sugar
  - Growing population, more urbanization
  - Rising incomes and purchasing power
- More competition and diminishing natural resources, food price increases, changing patterns in agricultural trade



# What do these trends imply?

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- Agriculture is crucial for CAREC economies, both for domestic needs and export potential
- Quality is critical for agri-food products to reach markets abroad
  - Trade is conditional on guarantees of freedom from pest and disease
  - Markets are using international standards
- SPS measures exist to support sustainable/resource-efficient/secure food production and consumption



# Assessment of CAREC SPS Systems

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- Current SPS measures are not aligned with the WTO Agreement or international standards, or are aligned but not implemented
  - could be onerous yet not effective in protecting
  - no national strategy; weak institutional structure
- Laboratories lack the capacity to provide the appropriate level of protection from risks
- Border infrastructure lacks the capacity to prevent the introduction of pest and disease despite excessive inspection



# Phytosanitary/Plant Health Issues in CAREC

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- Administrative split between border plant quarantine and domestic plant protection

- No regulations to implement International Standards for Sanitary Measures (ISPM)



- No lists of quarantine pests or regulated non-quarantine pests

- No pest risk analysis (PRA) expertise and diagnostic capacity



- No basic laboratory capacity to detect and identify viruses and phytoplasmas or provide protection against quarantine pests

# Sanitary/Animal Health Issues in CAREC

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- 40 animal diseases are endemic, of which 1/3 are transboundary animal diseases and zoonotic diseases
  - These diseases are difficult to eliminate hence surveillance and early detection are critical
  - These adversely affect trade
- Lack secondary legislation
- No risk-based categories of animal diseases and notifiable diseases, and of goods subject to veterinary control
- Mandatory certification of goods, no traceability
- Most labs are ill-equipped and unable to do routine surveillance, early detection, testing



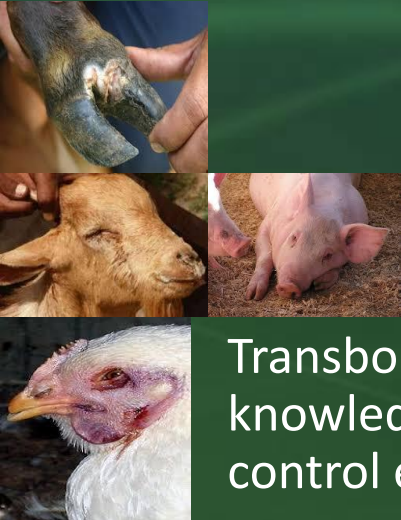
# Food Safety Issues in CAREC

- HACCP is not yet mandatory, and final product certification is still used
- Secondary legislation is prescriptive rather than generic based on Codex
- Parameters and sampling are not harmonized with international standards
- No risk-based assessment and inspection
- Labs not equipped to analyze the entire series of chemical contaminants; classical methods for microbiological testing are used



- In 2015, 49-68% of the total burden of food-borne disease in the subregion that includes 7 CAREC countries, were due to diarrhoeal disease agents

- non-typhoidal *Salmonella enterica*
- *Campylobacter* spp.
- *Brucella* spp.
- *Mycobacterium bovis*



Transboundary animal disease (TAD) requires control of animal movement, knowledge of risk pathways to reduce risk of transmission, capacity to control emerging pathogens

- foot and mouth disease (FMD) – occurs periodically
- highly pathogenic avian influenza (HPAI) – 7 outbreaks from 2005 to 2010
- peste de petits ruminants (PPR) – epidemic in PRC in 2014 was controlled
- sheep and goat pox (SGPx) – new cases in MON
- brucellosis and rabies – present in both sides
- classical swine fever (CSF) - 2008, 2012, 2014, 2015 outbreak in MON

**→ Effective control cannot be achieved by 1 country alone**

# Why a Common Agenda

- Regional approach is optimal due to countries' contiguous character, similarity of agro-economic systems and practices
- A common understanding means countries are aware that the concerns are best addressed in concert



- Objective: To align SPS measures with international standards and principles described in the WTO SPS Agreement.



# Priorities of the Common Agenda

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- Countries prepare national strategies to align SPS measures with international standards
  - Include a border management strategy with an investment program



- Establish a regional group, regular regional consultations, and knowledge events

- Amend primary legislation, unify plant quarantine and plant protection institutions
- Develop implementing regulations for priority International Standards for Phytosanitary Measures (ISPM)
- List risk-based quarantine and regulated non-quarantine pests, and import requirements
- Train on pest risk analysis (PRA)
- Develop quarantine facilities at BCPs
- Design regional surveillance program for key quarantine pests; undertake zoning



# Priorities for Animal Health

- Harmonize primary legislation and develop regulations aligned with OIE Codes
- Take inventory of laboratory facilities and equipment, to be used as basis for support
- Establish risk-based categories of animal diseases important to trade, notifiable diseases, and goods subject to veterinary control; create regionally unified risk-based list of products
- Invest in border facilities for loading and unloading of animals, quarantine of live animals, storage of products; equipment for examination of live animals and sampling of pathological material



# Priorities for Food Safety

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- Adopt international standards for food safety; make HACCP mandatory and follow generic secondary legislation in Codex for primary production and processing
- Develop criteria for selecting food safety parameters subject to international accreditation
- Establish risk-based inspection and assessment; align food import control measures with Codex
- Build capacity and skills of food inspectors, including on HACCP
- Obtain international accreditation for at least 1 laboratory per country (except PRC and KAZ)

- Joint Control of Transboundary Animal Diseases (TADs) in the People's Republic of China and Mongolia (RETA 8220) - 2015
  - strengthened collaboration between the 2 countries, developed training manuals, and trained trainers, paravets, and herders
- Mongolia: Regional Upgrades of Sanitary and Phytosanitary Measures for Trade (Loan 3313)
  - will upgrade laboratory and border inspection facilities, establish an inspection management system, and align SPS control with international standards
- Strengthening International Food Safety Standards in Agricultural Value Chains in the CAREC Member Countries (RETA 9274)
  - will develop regulations that meet international food safety standards, identify laboratory and infrastructure requirements for applying international standards, develop regional capacity to institutionalize these standards, and develop the CAREC food safety network

- Objective: To help implement the Common Agenda to modernize SPS systems

## 3 components:

1. National SPS Working Group established in each country
2. Regulations aligned with international standards
3. Border SPS management strategy implemented at selected common borders

Possible Timetable: July 2017 to March 2019



# 1. National SPS Working Group

- Formulate national SPS strategy
- Formulate a border SPS management strategy which includes the institutional arrangement that defines each border agency's role, mechanisms for cooperation and information flow
- Oversee their implementation
- Representatives will constitute the Regional SPS Working Group that will take up regional SPS issues



## 2. Regulatory Consistency with International Standards

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- Establish risk-based national pest lists and import requirements
- Establish risk-based categories of animal diseases important to trade, goods subject to veterinary control, notifiable diseases
- Establish risk-based assessment criteria and categories of food products, and inspection and testing through a mandatory HACCP system
- Harmonize chemical and microbiological food safety parameters and sampling protocols with Codex
- Develop CAREC unified certificates for export, import, and transit, and mutual recognition of lab results



# 3. Border SPS management strategy implemented at selected borders

25

- formulate standard operating procedures for border control
- train border personnel on the modernized SPS regulations, procedures, and requirements
- select 1-2 border crossing points and test the procedures



**Thank You!**