



# Improving SPS capacity to facilitate *safe* trade

CAREC Regional Workshop on  
Modernizing SPS Measures

**Session 2**

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## WTO SPS Agreement

Right to protect  
human, animal,  
plant life or health



Obligation to avoid  
unnecessary and  
unjustified barriers  
to trade

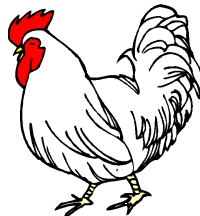
## Key principles

- SPS measures should *inter alia* be:
  - non-discriminatory
  - transparent
  - not more trade-restrictive than necessary
  - science-based (risk assessment)
- Harmonization – international standards

CODEX



OIE



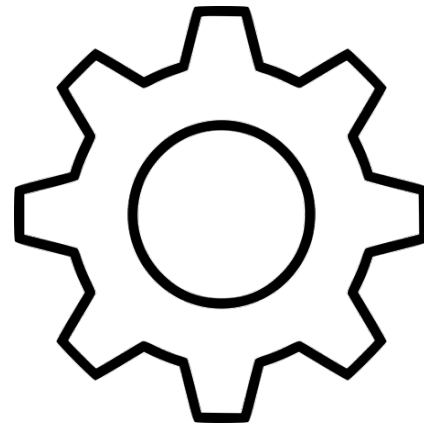
IPPC



## STDF's Global Partnership

**Goal:** Increased capacity of developing countries to implement international standards, and gain and maintain market access

*Coordination mechanism and knowledge hub*



*Funds for project development and implementation*

# Project Preparation Grants (PPGs)

Seed funding (up to \$50,000)

- Develop SPS projects
- Apply capacity evaluation / prioritization tools
- Assess feasibility

Value of PPGs to:

- Promote synergies with other initiatives
- Mobilize resources



## Kyrgyzstan: supporting SPS compliance to boost regional trade

- PPG requested by Association of Fruit and Vegetable Enterprises (AFVE), with Ministries of Agriculture/Economy
- Improve food safety management system – training to implement international standards (Codex), EAEU regulations on food safety and quality, ISO 22000, GAPs, GMPs, HACCP
- Support to food industry to export fresh and processed fruit and vegetables to regional markets
- Project on agenda STDF WG in Oct-18



<http://standardsfacility.org/PPG-569>

## Projects (PGs)

### Focus on projects that:

- identify, develop or disseminate good practice
- are replicable
- include regional/global approaches
- are innovative, collaborative, inter-disciplinary



## Tajikistan: improving food safety in honey and apricots to boost exports

### Expected results:

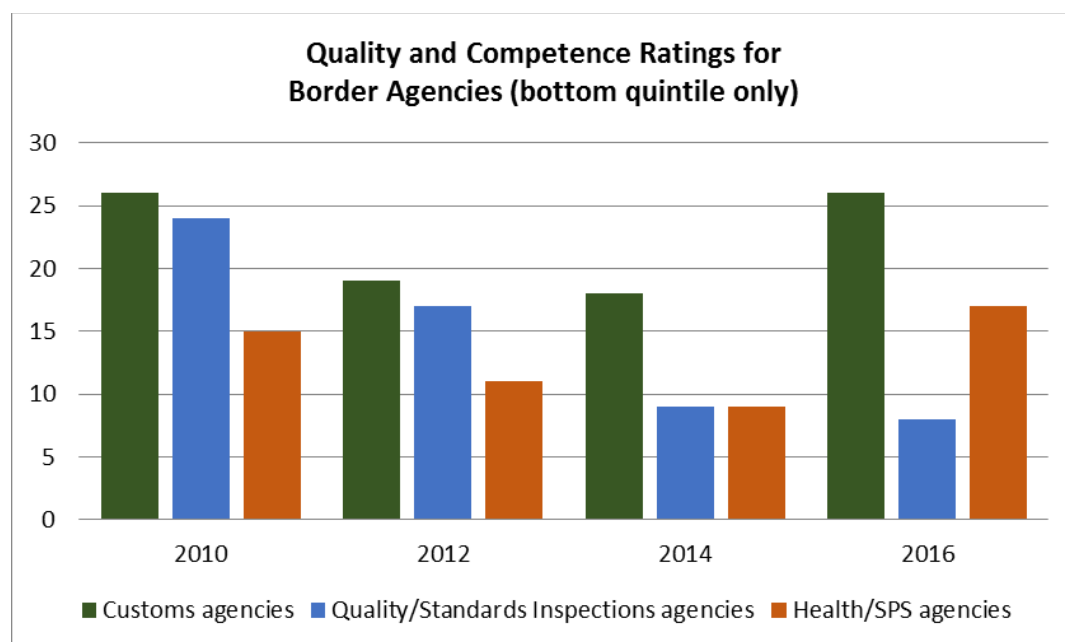
- Regulatory system for control and use of agri-chemicals and veterinary drugs in place
- Safe use of agrichemicals and veterinary drugs, with focus on apricots/honey
- Access to finance for SMEs in compliance with SPS measures
- Increased linkages along the sector value chain and export markets





## Trade in food and agricultural products

- Trade costs in agriculture much higher than manufacturing
- Outdated border procedures and red tape
- Performance gap between health/SPS agencies and others
- Lower performing countries
  - More physical inspection
  - Longer import / export lead times



Source: World Bank Logistics Performance Index

## STDF research in Southern Africa and Southeast Asia

- How are SPS measures implemented in practice for specific products (Annex C, SPS Agreement - **control, inspection and approval procedures?**)
- Opportunities to reduce trade costs, while achieving appropriate level of health protection?
- **Trade Facilitation Agreement (TFA)** opportunity to enhance dialogue and leverage funds to improve SPS border management



## Persistence of SPS-related procedural obstacles to trade

### Challenges

- Complex and lengthy procedures
- Excessive document requirements
- Limited information
- Multiple inspections
- Little coordination between border agencies
- No complaints / appeal procedures
- Arbitrariness, unpredictability

### Consequences

- More controls than justifiable
- Longer than necessary waiting times
- Uncertainty
- Increased costs for traders, sometimes also for government

# Reducing trade costs, improving health protection lessons from STDF work

- Leverage the TFA to push reform and mobilize resources
- Streamline documentary requirements and control procedures
- Improve transparency on regulations, fees, etc.
- Implement risk-based approaches
- Better coordination between SPS authorities and with customs - joint inspections;
- Include SPS controls in single windows
- Engage SPS authorities in NTFCs, TF needs assessments
- Move towards electronic SPS certification



## IMPLEMENTING SPS MEASURES TO FACILITATE SAFE TRADE

The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) aims to facilitate safe trade in food and agricultural products. It allows governments to provide the level of health protection they deem appropriate, while it seeks to ensure that SPS measures are not misused for protectionist purposes and do not result in unnecessary barriers to trade. In practice, a variety of SPS procedural obstacles to trade appear to persist. Several countries are making efforts to address these obstacles in an effort to enable trade to flow more smoothly and quickly. This note highlights some of these experiences and opportunities. It draws on work by STDF partners, as well as the findings of STDF-funded research in Southeast Asia and Southern Africa to identify good practices to improve the implementation of SPS controls in a way that facilitates safe trade, while minimizing transaction costs, based on the SPS Agreement. It also reflects experiences of STDF-funded projects that are promoting the implementation of robust, science-based SPS controls to facilitate safe trade.

**Ensuring health protection, while minimizing SPS transaction costs**

Countries develop and implement SPS measures to protect human, animal and/or plant life or health. SPS measures should be based on science and they should not discriminate between domestically produced and imported products. The SPS Agreement encourages governments to apply national SPS measures that are consistent with international standards, guidelines and recommendations developed by three international bodies (Codex, IPPC and OIE). While the implementation of robust and science-based SPS measures to ensure health protection inevitably results in some trade transaction costs, the SPS Agreement requires that any such costs should not be higher than necessary. Article II and Annex C of the SPS Agreement set out provisions on Control, Inspection and Approval procedures. They require that procedures to check and ensure the fulfilment of SPS measures are implemented without undue delay and in no less favourable manner for imported products than for like domestic products. For instance, information requirements should be limited to what is necessary for appropriate control, inspection and approval procedures, standard processing periods should be published, fees should be no higher than the actual cost of the service, etc.

**Complex and lengthy procedures**

- Excessive document requirements
- Limited information on requirements, forms, fees
- Multiple inspections by different services
- Arbitrariness, unpredictability

Work by the World Bank, ITC and others indicates that sometimes SPS measures are implemented in a way that is more trade disruptive than necessary. At times, this may result in more controls than needed, longer than required waiting times, uncertainty, as well as increased costs for traders and sometimes also governments.

**Trade transaction costs occur every time a party within the supply chain is required to submit information to government agencies, including authorities responsible for SPS controls. These costs might be direct (e.g. submission of documents, charges and fees, inspection costs, informal payments) or indirect (e.g. border delays, uncertainty about procedures). The OECD estimates that each 1% saving in trade-related transaction costs yields a worldwide benefit of US\$43 billion (OECD, 2013).**

**Opportunities to facilitate safe trade**

A number of good practices exist to improve the implementation of SPS measures in a way that facilitates safe trade. Several governments are already implementing a variety of these solutions with promising results.

**Improve transparency on SPS requirements**

Several countries have already taken steps to increase access to information about existing SPS measures, and the procedures associated with ensuring compliance, for instance by publishing SPS regulations, procedures, forms and fees online, and including SPS regulatory requirements in national single windows. In many cases, governments actively engage with the private sector on a regular basis to discuss any changes to SPS regulations or procedures. Such efforts facilitate trade by enabling importers and exporters to understand what SPS measures are in place and what is required of them. They also help to enhance good governance in SPS management.

**Streamline documentary requirements and control procedures**

It is good practice to regularly review, streamline and simplify documentary requirements and procedures involved in the implementation of SPS controls. There may be options, for instance, to cancel outdated regulations, remove duplication in documents required by SPS and other border agencies, and/or reduce the number of documents required for each consignment by enabling traders to provide some documents on an annual or periodic basis. Simplifying SPS procedures may also entice more small-scale traders to formal channels, which would have additional benefits.

The Standards and Trade Development Facility (STDF) is a joint partnership established by the World Trade Organization (WTO), the World Health Organization (WHO), the World Organisation for Animal Health (OIE) and the World Intellectual Property Organization (WIPO).

## STDF Film: Safe Trade Solutions\*

What are Chile, Peru and Colombia doing to improve health protection and speed up trade?



\* See: [www.standardsfacility.org/video-gallery](http://www.standardsfacility.org/video-gallery) and [www.youtube.com/watch?v=Eww1MsewAOk](https://www.youtube.com/watch?v=Eww1MsewAOk)

## Find out more and get involved

Use and share good practices developed  
through STDF's work

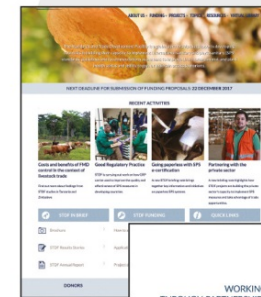
Capitalize on STDF's network to extend  
results and reach

Use STDF as a catalyst to leverage  
support for SPS capacity building

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**FIND OUT MORE  
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