



Standards and Trade
Development Facility

Facilitating safe trade: Electronic SPS certification



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Outline

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- What does the STDF do?
- Implementing safe trade: Context
- SPS Agreement
 - Relevant provisions
- Research in Southeast Asia and Southern Africa: How are SPS measures implemented in practice?
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- High-level panel during Aid for Trade Global Review
- The opportunity
- Experiences from developing countries
- Some thoughts

What is the STDF?

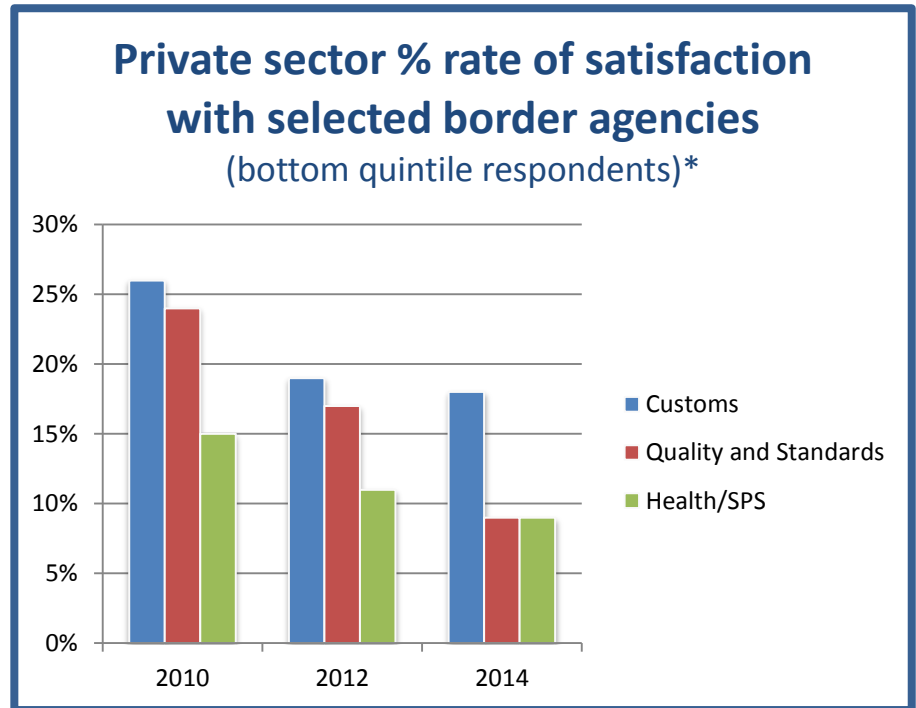
- A partnership of 5 international organizations (OIE, FAO, WB, WHO, WTO)
 - Donors
 - Observer organizations
 - Developing country experts
- Secretariat hosted by the WTO
- Decision making process:
 - Operational: Working Group (2 meetings/year)
 - Strategic: Policy Committee (1 meeting every other year)

What does the STDF do?

- **Coordination mechanism** among providers of **SPS technical cooperation** to strengthen coherence, avoid duplication and enhance results
 - **Knowledge platform** for **sharing experiences**, identification and dissemination of **good practice**, discussion of **cross-cutting topics** (Global workshop on SPS electronic certification : state of play and experiences (July 2016, Geneva))
 - **Funding** for **development and implementation of projects** that support compliance with international SPS requirements to gain and maintain market access

Implementing *Safe Trade*: Context

- Trade costs in agriculture much higher than in manufacturing, affecting competitiveness (WB, AfT at a Glance - 2015)
- Outdated border procedures and red tape greater barrier to trade than tariffs (WB, ITC, etc.)
- Performance gap between health/SPS agencies and others
- Lower performing countries:
 - Much more physical inspection
 - Longer import / export lead times



Source: World Bank Logistics Performance Index

SPS Agreement

**Recognizing
the right to
protect human,
animal, plant life
or health**



**Avoiding
unnecessary barriers
to trade**

Facilitate safe trade

Relevant provisions

- **Least trade-restrictive measure to reach appropriate level of protection (Article 5.6)**
- **Transparency (Article 7 and Annex B)**
- **Control, inspection and approval procedures (Article 8 and Annex C)**

Research in Southeast Asia and Southern Africa: How are SPS measures implemented in practice?

- Focus on SPS controls for specific products (and Article 8/Annex C of SPS Agreement)
- Are there transaction costs that can be reduced without compromising health objectives?
- What are good practices to ensure health protection, while minimizing transaction costs?
- No direct link to WTO TFA – but opportunity to enhance dialogue and leverage additional funds to improve SPS border management

Examples 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

Key conclusions of STDF research

- SPS measures may result in *justifiable* transaction costs based on the need to protect health

BUT

- Ineffective and inefficient SPS controls result in poor health protection – and disrupt trade more than necessary

High-level panel during Aid for Trade Global Review (Geneva, July 2015)*

- How can robust, science- and risk-based SPS controls be married with trade facilitation?
- Is it possible to effectively ensure health protection, while reducing SPS trade costs? How?



The opportunity

- **Enhance health protection and reduce costs (win-win) through better implementation of SPS Agreement:**
 - Streamline / simplify regulations
 - Implement risk-based approaches
 - Improve transparency
 - Increase harmonization with international (Codex, IPPC, OIE) standards
 - Improve coordination among SPS agencies and with Customs

Experiences from developing countries New STDF Film: Safe Trade Solutions*

How are developing countries in other regions rising up to the challenge?

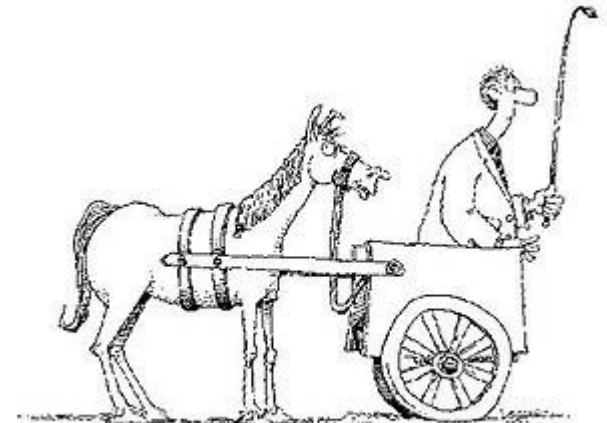
- Better coordination between SPS agencies and with Customs
- Streamlined controls
- Joint inspections
- More transparency
- Integrating SPS controls in national single windows



* See: <http://www.standardsfacility.org/video-gallery> and <https://www.youtube.com/watch?v=Eww1MsewAOk>

Some thoughts related to e-phyto

- Step-wise approach (automation => e-phyto)
- Prerequisite: Streamlined import/export process => Business Process Analysis (UNNExT)?
- Cost/Benefit analysis
- Take into account other paperless trade initiatives ongoing in the country
- Linkages with other global initiatives
- (UNCTAD, WCO...)



Hang on.. I must be doing something wrong..
How does that saying go again?

For more information

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