

STDF

Standards and Trade
Development Facility

Facilitating Safe Trade

Reducing trade costs
Improving health protection

www.standardsfacility.org

WTO SPS Agreement

Right to protect
human, animal,
plant life or health



Obligation to avoid
unnecessary and
unjustified barriers
to trade

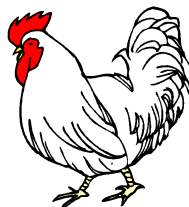
Development of SPS measures

- 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





Implementation of SPS measures

Annex C

Avoid unnecessary trade disruption and costs when performing control, inspection and approval procedures

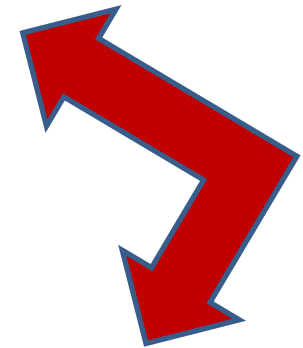
- no undue delays;
- information requirements limited to what is necessary;
- non-discriminatory fees;
- non-discrimination in siting of facilities/selection of samples;
- procedure to review complaints, take corrective action, etc.

SPS Annex C closely linked to TFA

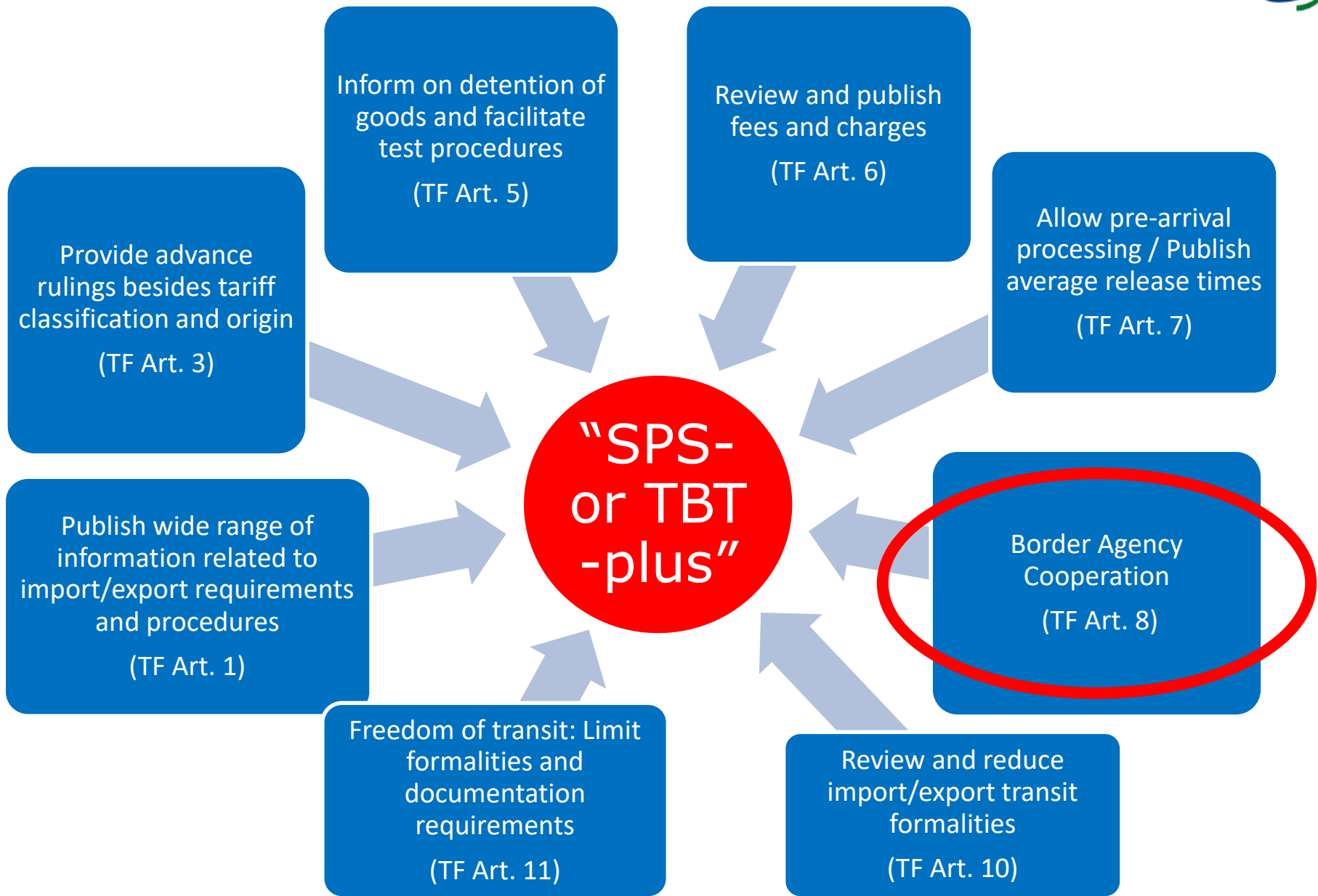
TFA Final Provisions: paragraph 6

“nothing in this Agreement shall be construed as diminishing the rights and obligations of Members under the TBT and SPS Agreements.”

BUT.....



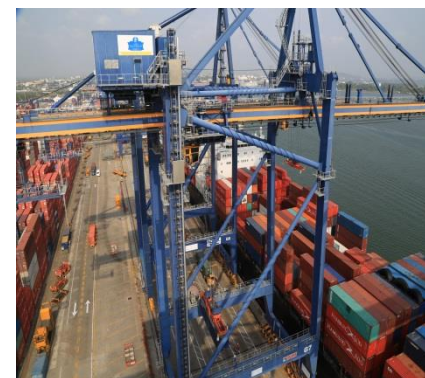
some TFA provisions may be "SPS-plus" or "TBT-plus"
adding obligations going beyond SPS & TBT Agreements



How are SPS measures for specific products implemented in practice?

STDF research in Southeast Asia and Southern Africa

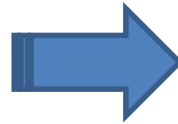
- Good practices to reduce transaction costs, without compromising health protection?
- No direct link to TFA – options to leverage resources for improved SPS border management?
- Focus on Article 8 and Annex C, SPS Agreement



See: www.standardsfacility.org/facilitating-safe-trade

SPS-related procedural obstacles to trade

- Complex, lengthy procedures
- Excessive document requirements
- Limited information
- Multiple inspections
- Little coordination between border agencies
- No complaints or 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

- Improve transparency
- Streamline documentary requirements and control procedures
- Implement risk-based approaches
- Better coordination between SPS authorities and with customs - joint inspections, IT solutions
- Participate in TFCs, TF needs assessments

TFA = opportunity to enhance dialogue and leverage funds to improve SPS border management

STDF Standards and Trade Development Facility

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 imposed 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 adopt rational 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 8 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 justified, fees should be no higher than the actual cost of the service, etc.

Examples of SPS-procedural obstacles

- 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, uncertainties, 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\$42 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

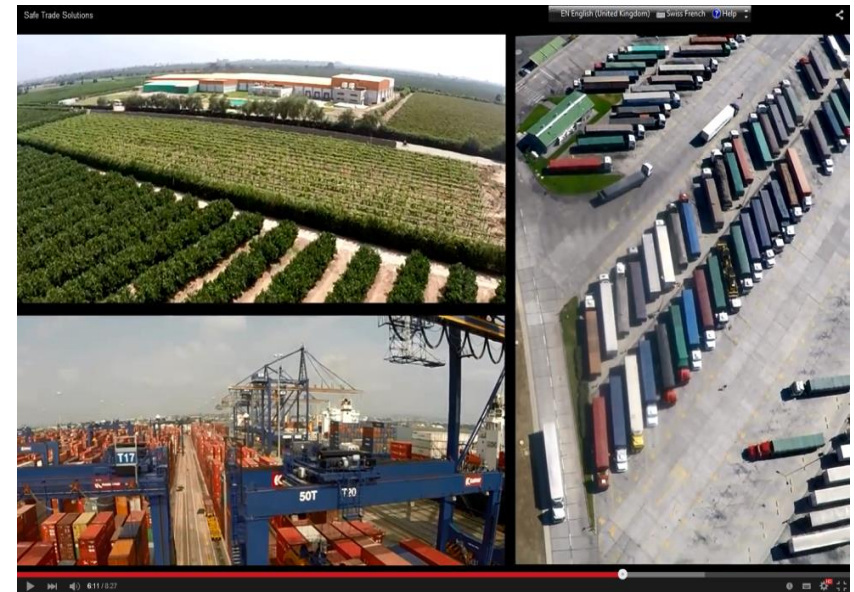
It is a good practice to regularly review, streamline and simplify documentary requirements and procedures involved in the implementation of SPS controls. There may be common, for instance to cancel outdated regulations, remove duplication in documents required by SPS and other border agencies, and/or 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 Bank, International Trade Centre (ITC) and the United Nations World Food Programme (WFP). The World Bank, the ITC and WFP are the three operational entities of the STDF. The STDF is a joint partnership established by the World Bank, International Trade Centre (ITC) and the United Nations World Food Programme (WFP).

STDF Film: Safe Trade Solutions*

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

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

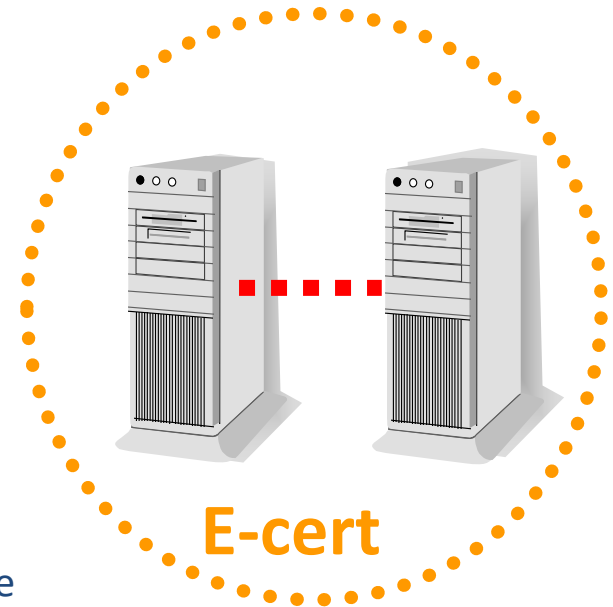


* See: <http://www.standardsfacility.org/video-gallery> and <https://www.youtube.com/watch?v=Eww1MsewA0k>

Towards paperless trade: SPS e-cert



- How electronic SPS certification can contribute significantly to facilitating safe trade
- STDF seminars and projects:
 - STDF seminar on SPS e-Cert, Geneva, June 2016
www.standardsfacility.org/SPS-eCert
 - Transitioning from paper-based to automated SPS systems, Geneva, July 2017:
www.standardsfacility.org/A4T_Review_2017
 - ePhyto (FAO/IPPC, WBG, WCO, CITES, CFIA, USDA, private sector)
 - Veterinary e-Cert projects (OIE/FAO/WB)



Advantages of SPS e-Cert

Integrity

- Electronically secured certificates
- Cross-checking in real time
- Single national register of certificates

Efficiency

- Faster processing through pre-validation
- Single view of all relevant information
- Simple maintenance of forms

Security

- Very difficult to forge
- Online verification for third parties
- Searchable database with all certificates

Time

- Computer-assisted application preparation
- Faster processing cuts export time
- Faster management through real-time status

Challenges in implementing e-SPS certificates

- Weaknesses in existing paper-based systems
- Inadequate legislative framework
- Lack of political will, resistance of mid-level management
- Limited collaboration
- Lack of standardized exchange protocols (considerable investment to deal with non-standard data requirements)
- High costs
- IT infrastructure

Cherry on the cake?

- e-Cert is most effective when countries already have effective paper-based SPS certification systems, including functioning institutions and adequate legislation
- e-Cert does not solve systematic failures in national SPS import / export control systems
- Avoid risk that automation delivers the cherry, without the cake!





The Standards and Trade Development Facility is a global partnership that supports developing countries in building their capacity to implement international sanitary and phytosanitary (SPS) standards, guidelines and recommendations as a means to improve their human, animal, and plant health status and ability to gain or maintain access to markets.

NEXT DEADLINE FOR SUBMISSION OF FUNDING PROPOSALS: 22 DECEMBER 2017

RECENT ACTIVITIES



Going paperless with SPS e-certification

A new STDF briefing note brings together key information and initiatives on paperless SPS systems.



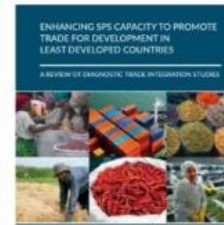
Women in SPS capacity building

A new briefing note highlights STDF's work to help women farmers, processors and traders produce and export safe food and agricultural products.



Partnering with the private sector

A new briefing note highlights how STDF projects are building the private sector's capacity to implement SPS measures and take advantage of trade opportunities.



Enhancing national capacity to comply with SPS standards in LDCs

A joint Enhanced Integrated Framework (EIF) and STDF study analyses the coverage of SPS issues in Diagnostic Trade Integration Studies (DTIS).



STDF IN BRIEF



STDF FUNDING



QUICK LINKS