



Linkages between SPS measures and trade facilitation

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Outline

- Overview of the SPS Agreement
- Linkages between SPS and Trade Facilitation Agreements
- Relevant work of the Standards and Trade Development Facility (STDF)



SPS Agreement

- establishes a multilateral framework of rules and disciplines to guide development, adoption, and enforcement of sanitary and phytosanitary (SPS) measures
- applies to SPS measures which may, directly or indirectly, affect international trade

Examples of SPS Measures

Definition - Annex A

A measure taken to protect:

Human or
animal life or
health

from

risks arising from additives,
contaminants, toxins or disease
organisms in food, drink, feedstuff

limits on
residues
in fish &
shellfish



limits on
aflatoxin
residues
in nuts



Examples of SPS Measures

Definition - Annex A

A measure taken to protect:

Human life
or health

from

plant- or animal-carried diseases

requirement that
susceptible animals
be vaccinated
against rabies



BSE-related restrictions



Examples of SPS Measures

Definition - Annex A

A measure taken to protect:

Animal or
plant life
or health



pests, diseases, disease-causing
or disease-carrying organisms

measure to
prevent
introduction
of FMD



measure to
prevent
introduction
of fruit flies



Examples of SPS Measures

Definition - Annex A

A measure taken to protect:

Territory of
Member



other damage caused by entry,
establishment or spread of pests



measure to
prevent
introduction
of zebra mussels
through ballast
water of ships



seed
regulation
to avoid
introduction
of exotic
weeds



SPS measures include:

- ✓ end product criteria
- ✓ processing methods
- ✓ quarantine measures
- ✓ certification
- ✓ inspection
- ✓ testing
- ✓ sampling
- ✓ ...

some also covered under TFA

What is the objective of the SPS Agreement?

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



Avoiding unnecessary barriers to trade

Facilitate safe trade



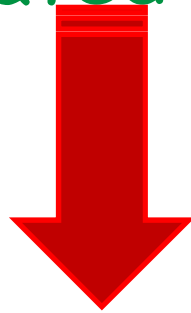
Key Provisions of the SPS Agreement

1. Non-discrimination
2. Scientific justification
 - harmonization/intl standards
 - risk assessment
 - least trade-restrictiveness
3. Equivalence
4. Regionalization
5. Transparency
6. Technical assistance/special treatment
7. Control, inspection and approval procedures



Linkages between SPS and TF Agreements

Trade Facilitation Agreement seeks to reduce trade-related transactions costs



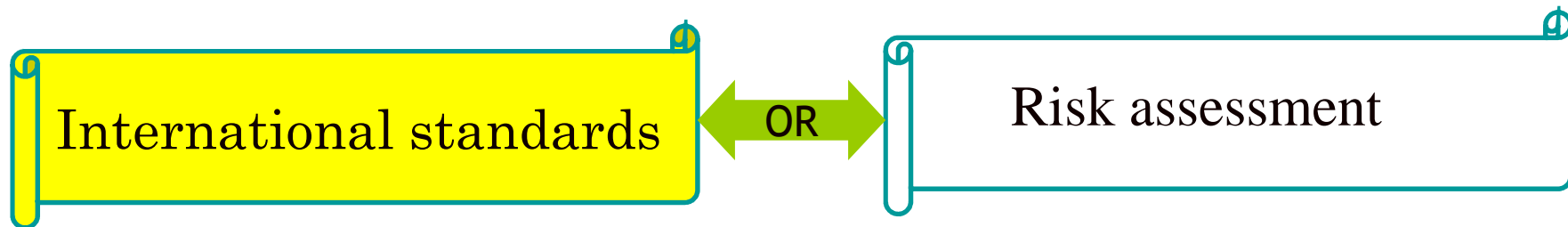
Implementation of SPS measures may result in trade-related transaction costs, justified by need to protect human, animal or plant health

Selected provisions of SPS Agreement addressing trade facilitation

- Harmonization/international standards (Article 3)
- Transparency (Article 7 and Annex B, Committee recommendations)
- Control, inspection and approval procedures (Article 8 and Annex C)

SPS Agreement: International standards

SPS Measures must be based on:



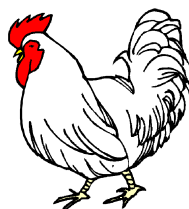
SPS Agreement: International standards

Standard-setting
organizations

food safety
CODEX



animal health
OIE



plant health
IPPC

*standards, guidelines, recommendations
including on inspection, sampling, testing...
link to TFA Articles 5 and 10.3*

SPS Agreement: International standards

For example, relevant Codex standards include:

- Principles for Food Import and Export Inspection and Certification (CAC/GL 20-1995)
- Guidelines for the Exchange of Information between Countries on Rejections of Imported Foods (CAC/GL 25-1997)
- General Guidelines on Sampling (CAC/GL 50-2004)
- Recommended Methods of Sampling for the Determination of Pesticide Residues for Compliance with MRLs (CAC/GL 33-1999)



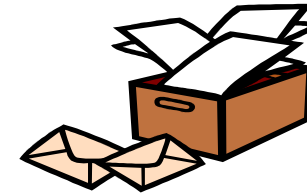
SPS Agreement: Transparency

Members shall



publish SPS regulations
establish an Enquiry Point
designate a Notification Authority_

notify new or changed
SPS regulations when



no international standard exists
OR
the new regulation is different than
the international standard

AND

regulation may
have significant
effect on trade

- *TFA Article 1: additional obligations on publication of fees and charges; internet...*
- *Linkage between SPS and TF Enquiry Points?*

SPS Agreement: Control, Inspection and Approval Procedures

- procedures to check and ensure fulfilment of SPS measures include sampling, testing and certification...
- no undue delays; no less favourable manner for imported products than for like domestic products
- information requirements limited to what is necessary

Annex C closely linked to TF

SPS Agreement: Control, Inspection and Approval Procedures

- non-discriminatory fees; not higher than actual cost of service (*link to TFA Article 6*)
- non-discrimination in siting of facilities and selection of samples
- procedure to review complaints, take corrective action (*link to TFA Article 4.1*)

Annex C closely linked to TF

Examples of specific trade concerns (STCs) raised in the SPS Committee

- Japan - Pesticide maximum residue level (MRL) enforcement system - raised by China, US
- Indonesia's port closures - raised by China, NZ, EU, US
- EU, Greece - Inspection and testing procedures for imported wheat - raised by Canada

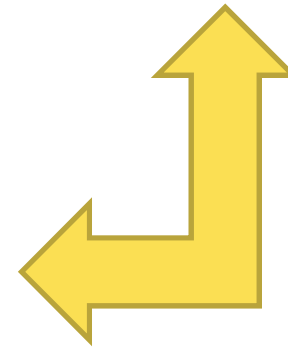
TF issues already discussed in SPS Committee

Linkages between SPS and TF Agreements

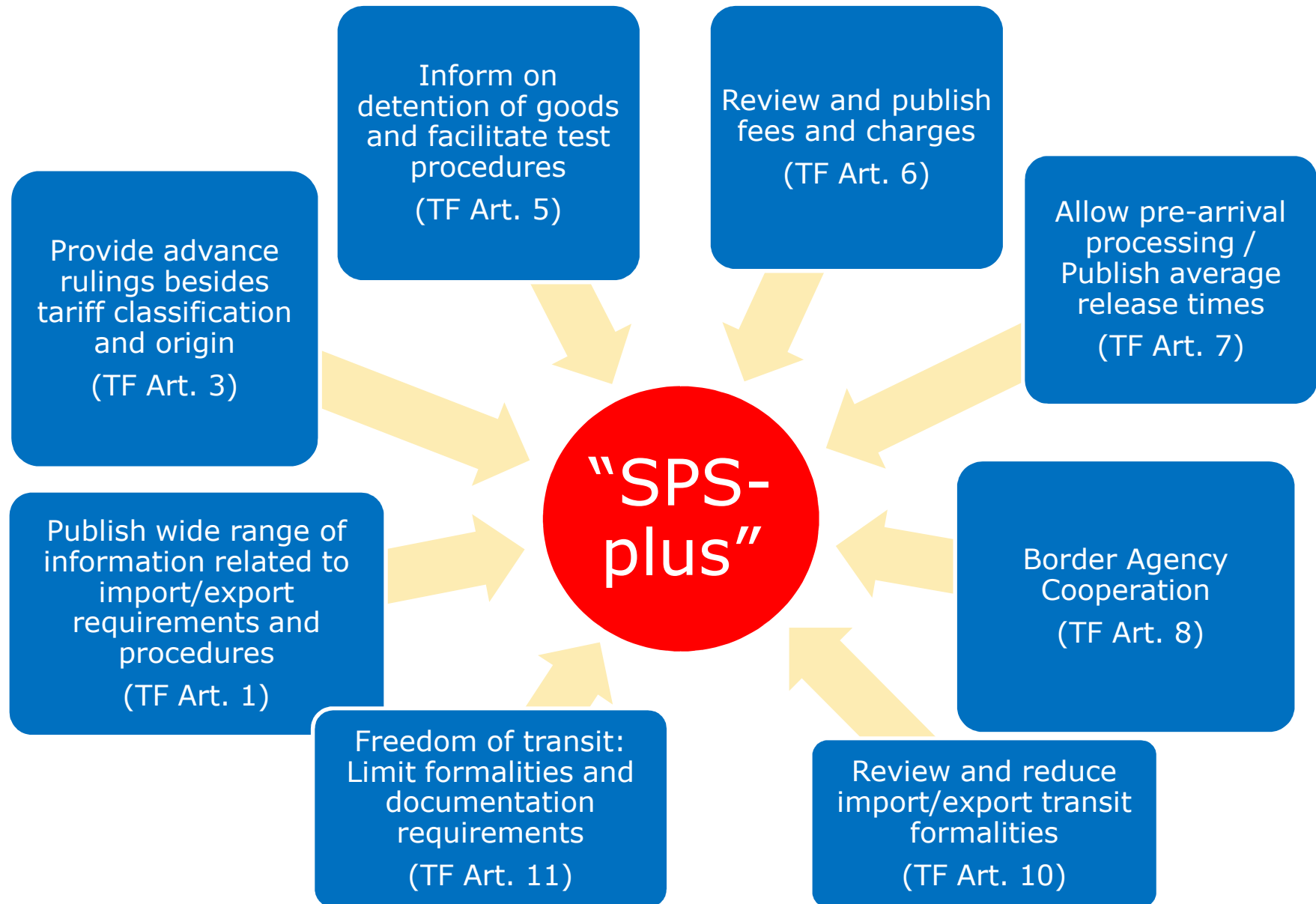
"nothing in this Agreement shall be construed as diminishing the rights and obligations of Members under the TBT and SPS Agreements."

BUT.....

Final
provisions,
para. 6 TF



some of the provisions in the TF Agreement may be considered as "**SPS-plus**", possibly resulting in obligations going **beyond** those contained in the SPS Agreement



Considerations for implementation

- SPS Agr. contains provisions aimed at facilitating procedures related to implementation of SPS measures
- TFA has parallel as well as additional requirements which will apply to procedures related to implementation of SPS measures
- awareness of SPS/customs officials regarding rights/obligations under all relevant WTO Agreements; need for coordinated approaches, systems

Considerations for implementation

- involvement of SPS officials in TF needs assessments; opportunity for SPS entities to benefit from increased funding opportunities
- national SPS and TF committees/bodies, Enquiry Points need to communicate, have reps/contact points in each other's structures
- TA providers in SPS/TF need to have familiarity with both areas
- SPS Committee procedures could be of interest to TF Committee (transparency, STCs)



STDF: A global partnership in SPS technical cooperation

Founding partners

- FAO (Codex, IPPC)
- OIE
- World Health Organization
- World Bank
- WTO
- Donors
- Beneficiary representatives
- Other relevant organizations - ITC, UNIDO, UNCTAD, IICA...



STDF: Functions

- Coordination mechanism to achieve greater coherence, avoid duplication of effort
- Knowledge platform for identification of good practices, discussion of cross-cutting topics
- Support/funding for development and implementation of projects assisting in complying with international SPS requirements and gaining/maintaining market access

STDF work of relevance to TF

Thematic work

- Implementing SPS measures to facilitate safe trade
- National SPS Coordination Mechanisms: An African perspective

Projects

- Azerbaijan - Strengthening phytosanitary inspection and diagnostic services
- COMESA - Breaking barriers, facilitating trade
- IPPC - e-phyto - pipeline



Implementing measures to facilitate safe trade

- STDF research in selected countries for specific products (launched prior to conclusion of TFA):
 - How are SPS measures implemented in practice?
 - Can SPS-related trade costs be reduced?
 - How to improve border agency dialogue and cooperation?

Logistics Performance Indicators report suggests that non-customs authorities may be weaker link in the chain (WB, 2014)

National SPS Coordination Mechanisms

- Many countries have some form of SPS coordination mechanism, with varying degrees of effectiveness. Only some include customs officials.
- STDF study recommendations: raise awareness and ensure high-level buy-in, clarify organizational mandate, build on existing mechanisms, engage all stakeholders, establish effective communication strategies, take proactive approach to sustainability...

Importance of linkages between National SPS and TF Committees



Azerbaijan - STDF PG/316

- 2008 Decree on Single Window; 2010 Agreement between State Customs Committee (SCC) and State Phytosanitary Control Services (SPCS)
- Objective: Strengthening border plant quarantine inspection and diagnostic services
- Activities focusing on capacity building and strengthening coordination/collaboration between the SCC, currently responsible for performing phytosanitary inspections at border points and the SPCS



COMESA - STDF PG 346

- Recognition that cost of doing business in many African countries is among highest in the world, particularly cost of crossing borders; limited intra-regional trade
- Objective: Reducing trading costs associated with SPS measures for selected commodities on selected trade routes in COMESA
- Planned activities include integrating SPS and customs operations, assessing and improving border procedures

For more information

- WTO website
 - www.wto.org → Trade Topics, SPS
 - WTO Secretariat informal note on the relationship between TF and SPS
- STDF website
 - www.standardsfacility.org
 - thematic topics, trade facilitation