



Standards and Trade
Development Facility

Global Partnership in SPS Technical Cooperation



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Sanitary / Phytosanitary and Technical Barriers to Trade
South Asia Sub-regional Economic Cooperation (SASEC)
Trade Facilitation Workshop
Bangkok, 1-3 December 2014

A global partnership in SPS technical cooperation

Our mandate

- Help developing countries to implement international food safety, animal and plant health standards, guidelines and recommendations to help gain and maintain market access

Our vision

- improved SPS capacity supports sustainable economic growth, poverty reduction, food security and environmental protection

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**
- **Funding** for **development and implementation of projects** that support compliance with international SPS requirements to gain and maintain market access

Presentation Outline

Overview of the STDF and relevance for SASEC countries

- Funding opportunities
- Examples of STDF thematic work
 - Regional research on implementation of SPS measures to facilitate safe trade
 - SPS Market Access Prioritization (MAP) Tool
 - Public Private Partnerships

Advice/support on SPS project development

- Project preparation grants (PPGs)
 - Application of capacity evaluation / prioritization tools, feasibility studies, project formulation
 - Grants ≤ US\$50,000
 - Synergies with other initiatives
 - Mobilization of donor funds
- Pilot training/guidelines on project design and formulation (with EIF)
- Since 2004, STDF has financed 66 PPGs (46 in LDCs)

Projects to improve SPS situation and enhance market access

- Focus on projects that:
 - identify, develop and/or disseminate good practice
 - are linked to STDF thematic topics
 - include regional/global approaches
 - are innovative, collaborative, inter-disciplinary
- STDF contribution \leq US\$1 million, 3 year duration or less
- Since 2004, STDF has financed 70 projects (31 in LDCs)

Examples of Projects in SASEC Countries

- **Nepal:** Enhancing sanitary and phytosanitary capacity of ginger exports through public private partnerships
- **Bangladesh:** Building trade capacity of small-scale shrimp and prawn farmers
- **Sri Lanka:**
 - Competency development scheme for the cinnamon sector in Sri Lanka
 - Improving Safety and Quality of Fruits and Vegetables in Sri Lanka



How to request STDF support?

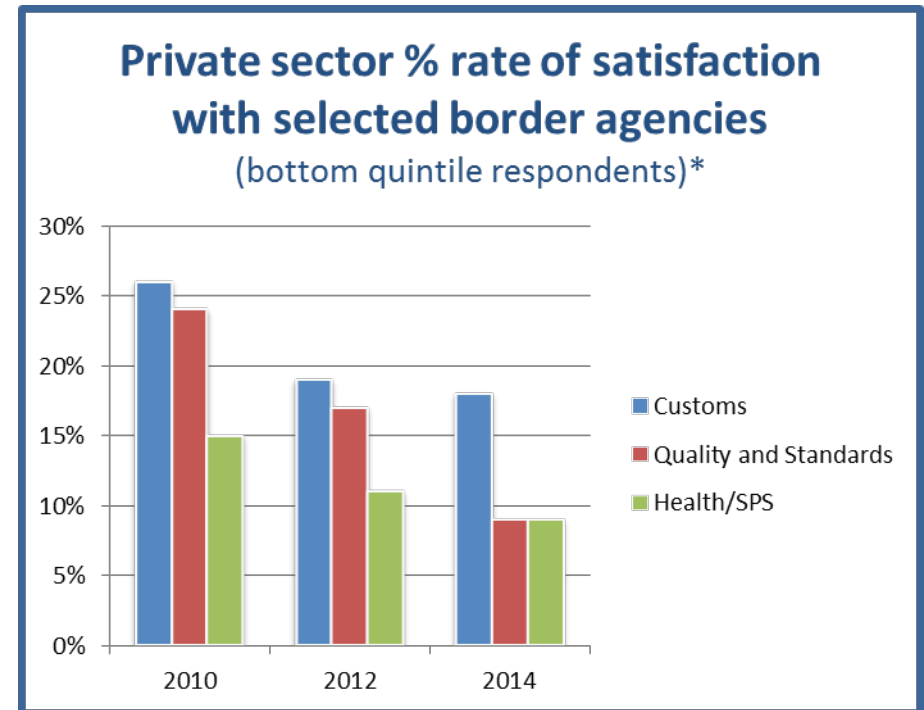
- ✓ Review eligibility criteria on STDF website
- ✓ Read Guidance Note for Applicants
- ✓ Download application form
- ✓ Consult relevant stakeholders in country/region
- ✓ Contact STDF Secretariat with questions
- ✓ Submit application by e-mail
- ✓ Requests considered two times per year - next deadline is 28 December 2014

STDF Thematic Work

- Regional research on implementation of SPS measures to facilitate safe trade
- SPS Market Access Prioritization (MAP) Tool
- Public Private Partnerships

SPS measures and Trade Facilitation: Context

- Outdated border clearance procedures and excessive red tape are greater barrier to trade than tariffs (WB, 2011)
- 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

Research in Southeast Asia and Southern Africa on implementation of SPS measures

- How are SPS measures implemented for specific products?
- Are there transactions costs that could be reduced without compromising health objectives?
- Good practices to ensure health protection while minimizing trade transaction costs?
- No direct link to WTO TF Agreement – opportunity to enhance dialogue and leverage additional funds for SPS capacity building

Findings from SE Asia Study: SPS-related procedural obstacles to trade*

For instance:

- Complex and lengthy procedures
- Excessive document requirements (registration, licences, fees)
- Limited information (transparency)
- Arbitrariness and unpredictability
- Formal / informal fees
- No complaints / appeal procedures

Consequences

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

Findings from SE Asia Study*

Do the procedural obstacles occur...

...before the border?

- **Duplicative document requirements** by importing/exporting countries
- **No distinction** between **mandatory** and **voluntary standards**
- **Overlapping jurisdiction** between government agencies
- (Multiple) **inspections, tests** and

...at the border?

- **sampling**
- Repeated **document checks**
- Long **waiting times**
- **Lack of coordination** between border agencies (e.g. opening hours, duplicating controls))

Conclusions from SE Asia Study

- SPS measures may result in *justifiable* transaction costs based on the need to protect health
- Sometimes, ineffective and inefficient SPS measures result in poor health protection – and disrupt trade more than necessary
- Opportunities to enhance health protection and reduce costs through better implementation of SPS Agreement, e.g.:
 - Increased harmonization with international (Codex, IPPC, OIE) standards
 - Improved transparency
 - Streamlining, simplification
 - Use of a risk-based approach

Practical solutions exist

Where to start?

- Improve transparency (access to basic information on laws, regulations, costs, waiting times)
- Review document requirements (cancel outdated notices, duplications)
- Reduce waiting times
- Use a risk-based approach
- Reduce possibilities for rent-seeking (transparency, separate revenue-raising activity from regulatory activity)
- Coordinate with trading partners (equivalence, mutual recognition agreements regionalization)

More advanced solutions

- Single windows
- Single electronic windows
- One-stop border posts

Key Questions for SASEC countries

- What options exist to improve implementation of the SPS Agreement to facilitate safe trade in the region?
- How effective and efficient are SPS measures/agencies?
 - What are the results (health protection, trade facilitation)?
 - Opportunities to achieve improvements?
- How effectively do SPS/TBT agencies work together with other border authorities and the private sector?
- Are SPS/TBT authorities engaged in TF needs assessments and related committees?
- How can SASEC countries cooperate in the SPS/TBT area?

SPS Market Access Prioritization (SPS-MAP) Tool

A tool to *help* decision-makers
prioritize SPS investments linked to market access
based on the use of multi criteria decision analysis

Context

- Large number of SPS investment needs
- Resource constraints and challenges in establishing priorities
- Process of priority-setting sometimes lacks coherence and transparency

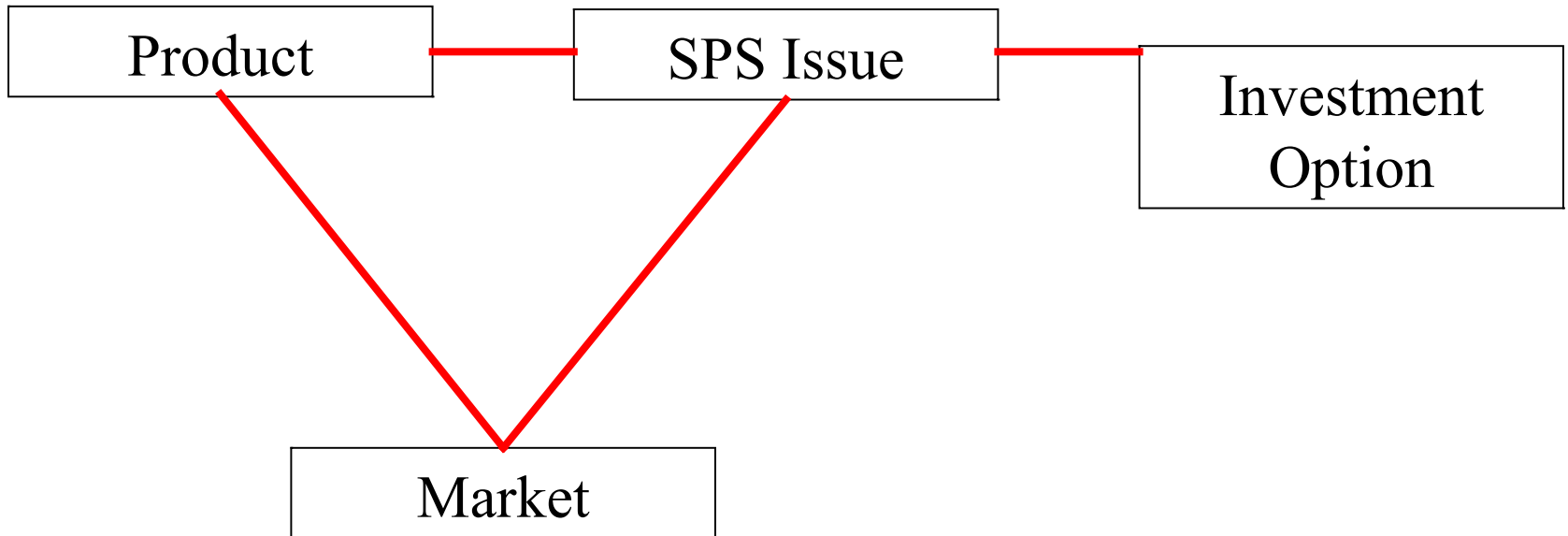
SPS Market Access Prioritization Tool

- Structured approach to establish priorities between alternative capacity building options
- Facilitate inputs from diverse (public/private) stakeholders
- Promote transparency and *aid* decision-making



- Evidence to support fund-raising
- Greater resource efficiency
- Enhanced trade and social outcomes and impacts

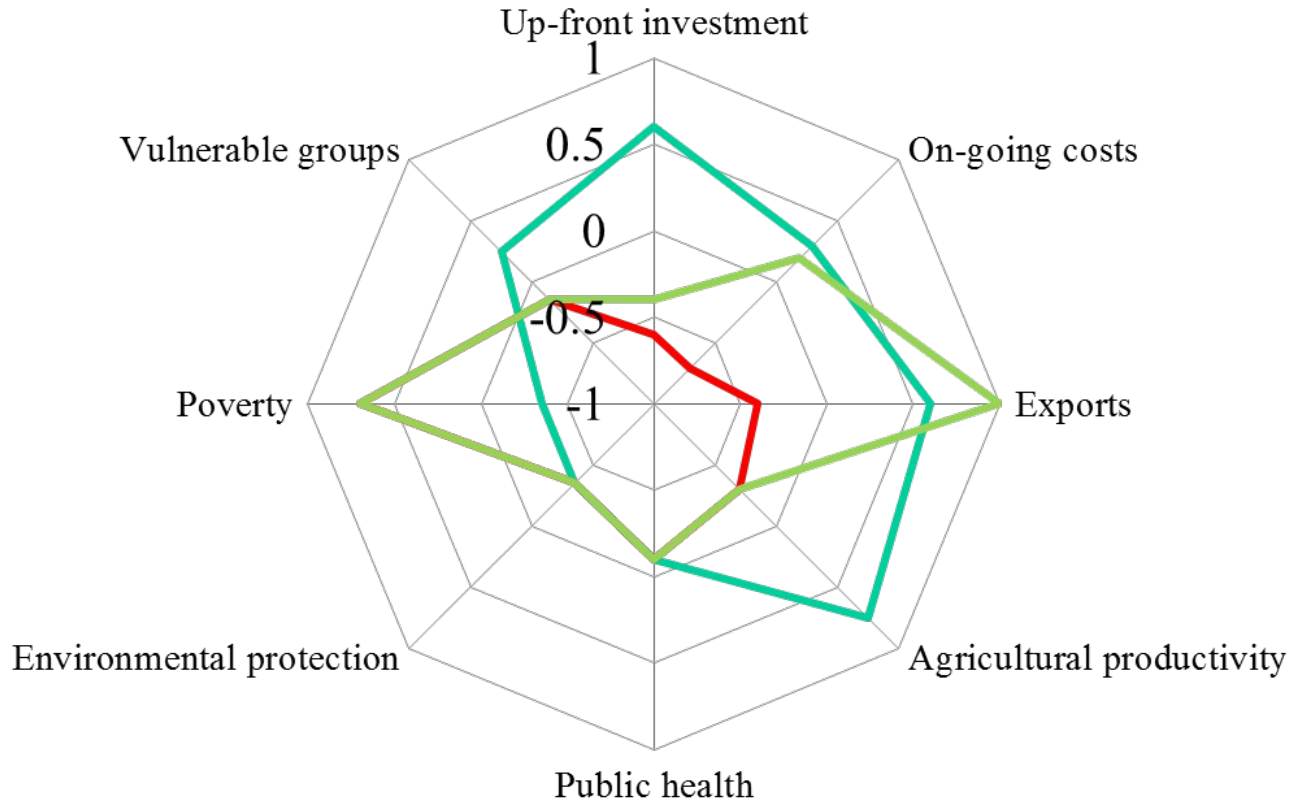
Definition of SPS investment option



How does the SPS MAP Tool work?

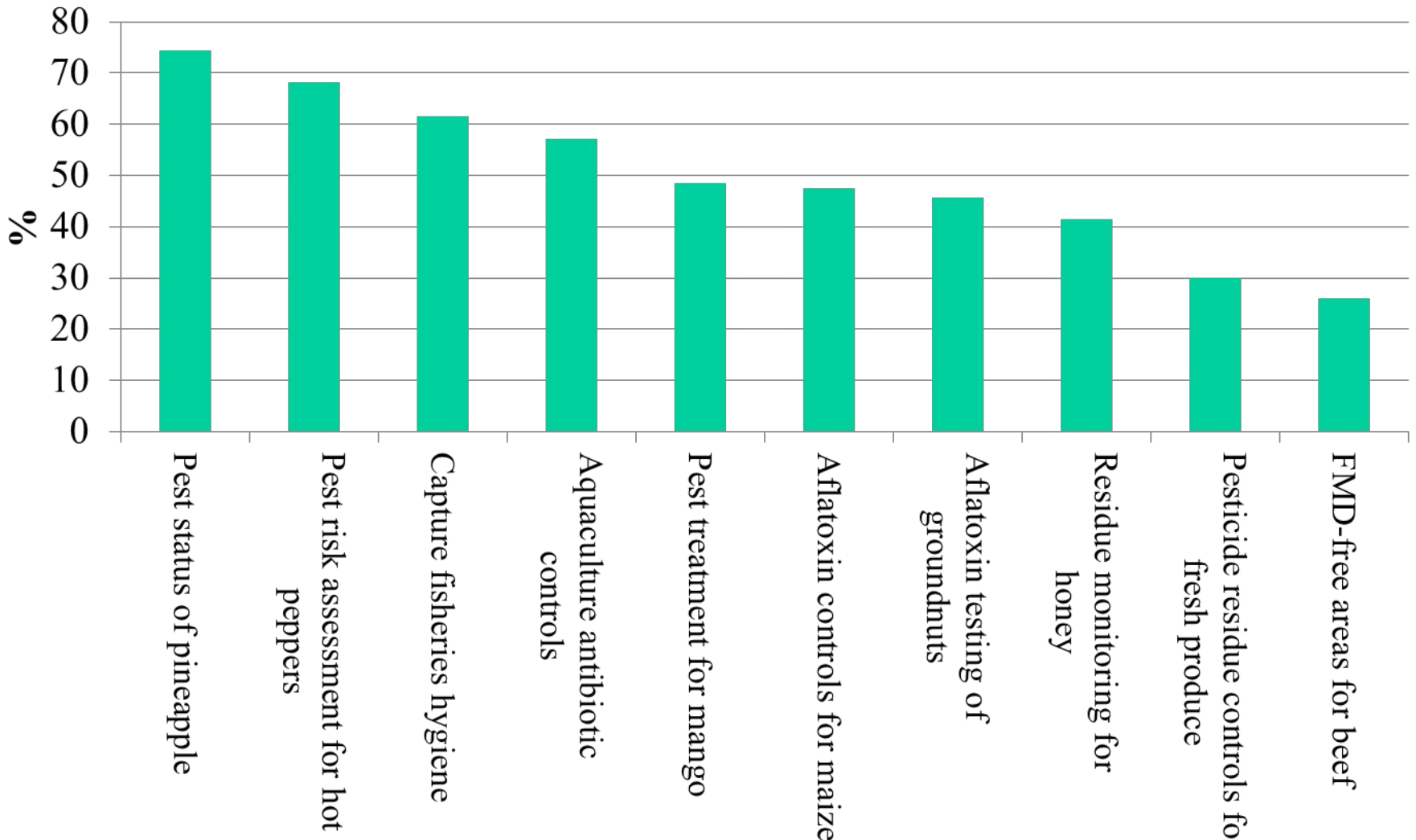
- Collect and analyse available information and data
- Public / private stakeholders discuss possible SPS investment options, decision criteria and weights
- SPS investment options ranked :
 - based on specific, documented assumptions
 - use of available qualitative and quantitative data
 - use of computer software to compares options
- Discuss the findings, data queries / gaps
- Re-run the analysis based on any new data, altered decision criteria or weights, etc.

Different investment options are scored according to selected criteria, e.g.



- Determining pest status for bananas
- Hygiene controls for bivalves & molluscs
- Hygiene controls for crustaceans

Different investment options ranked based on their cost and trade impact, e.g.



Use of Public Private Partnerships to enhance SPS capacity

- SPS compliance is a shared responsibility
- Value of PPPs to stimulate innovation, leverage knowledge and resources, address infrastructure deficits, etc.
- Practical examples of SPS-related PPPs to strengthen SPS coordination, improve service delivery, etc.
- Often new way of working – requires change in mind-set, depends on increased trust and transparency, needs a driver, etc.

Key Questions for SASEC

How do you identify SPS capacity needs and establish investment priorities at national and regional level?

- Are SPS-related capacity evaluation tools (OIE PVS, PCE, etc.) applied?
- Is there an open discussion among relevant (public, private) stakeholders?
- Opportunities to improve SPS decision-making processes?

Do SPS authorities collaborate with other relevant authorities and the private sector (at national / regional level)?

- Opportunities to improve public-public and public-private dialogue and coordination?

Going forward with a regional SPS agenda in SASEC?

- How to improve implementation of SPS Agreement and reduce costs?
- Engage all relevant stakeholders (including private sector)
- Encourage the use of international standards (Codex, OIE, IPPC)
- Participate actively in ISSBs and relevant WTO Committees
- Ensure good linkages between officials in capital and Geneva
- Identify common priorities to boost regional trade (e.g. regional recognition of conformity assessment procedures, equivalence, mutual recognition)
- Develop regional standards only where necessary

For more information

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The screenshot shows the STDF website homepage. At the top left is the STDF logo. To its right is the text 'ENGLISH FRANÇAIS ESPAÑOL'. Below this is a navigation menu: 'ABOUT US • FUNDING OPPORTUNITIES • PROJECTS • THEMATIC ACTIVITIES • INFORMATION RESOURCES • VIRTUAL LIBRARY'. The main banner features a photograph of a boat on a calm body of water with mountains in the background. Below the banner is a text box: '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.' Below this is a grey bar with the text 'NEXT DEADLINE FOR SUBMISSION OF FUNDING PROPOSALS: 3 JANUARY 2014'. The main content area is titled 'RECENT THEMATIC ACTIVITIES' and contains four columns, each with an image and a title: 'Facilitating safe trade', 'Invasive Alien Species', 'Fruit fly', and 'Aid for Trade'. Each column has a 'MORE INFO' button. Below this is a section with three columns: 'WHAT'S NEW', 'RESOURCES', and 'EVENTS'. The 'EVENTS' column lists dates and events like 'Codex Committee on Horticulture and Fresh Produce Special Dietary Uses' and 'WTO SPS Committee Meeting'. At the bottom is a grey bar with 'DONORS', 'PARTNERS', and 'DEVELOPING COUNTRY EXPERTS'. The footer contains a 'SITEMAP' with links to 'ABOUT US', 'FUNDING OPPORTUNITIES', 'PROJECTS', 'THEMATIC ACTIVITIES', 'INFORMATION RESOURCES', and 'VIRTUAL LIBRARY'. It also has 'CONTACT INFO' with address and phone numbers, a 'MAILING LIST' with a 'SIGN UP' button, and a 'MEMBERS' section with 'Username *', 'Password *', and a 'LOG IN' button. At the very bottom, it says '© 2012 Standard and Trade Development Facility. All Rights Reserved.'