Global Partnership in SPS Technical Cooperation

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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
• 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

(SPSTMAP) 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

Product → SPS Issue → Investment Option

Market
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.
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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