

STDF Seminar on Electronic SPS certification – DDG REMARKS

Good morning everyone – welcome to the WTO.

We're here today to learn more about electronic sanitary and phytosanitary (SPS) certification, and in particular to consider the benefits and opportunities of expanding the implementation of electronic SPS certification systems, mainly in developing countries. Why is this important?

A key message emanating from WTO's Aid for Trade initiative is that high trade costs inhibit many developing countries from fully exploiting their trade and development potential. High trade costs continue to act as a brake on economic development with, in particular, landlocked and small and vulnerable economies facing inherent challenges in this regard. It is also clear that trade costs remain stubbornly high in some critical sectors where growth is associated with strong poverty reduction effects, most prominently in the agriculture sector. The focus of the Aid for Trade Work Programme for 2016-2017 is on reducing trade costs through "Promoting Connectivity".

According to a report published by UNESCAP in 2014, partial implementation of cross-border paperless trade measures in the Asia Pacific region would be associated with an export increase of 36 billion US\$ annually, the time required to export would fall by 24% and the cost by 17%. [Under a more ambitious scenario of full region-wide implementation, the export gain would be of the order of 257 billion US\$ annually. The time required to export would fall by 24% to 44%, and the cost by 17% to 31%, depending on the reform scenario considered. Total direct cost savings across all trade would be approximately 1 billion US\$ annually for partial reform, and 7

billion US\$ annually for full implementation]. WTO's recent Trade Facilitation Agreement also supports the implementation of paperless trade.

Electronic SPS certification contributes significantly to reducing costs in food and agricultural trade, thereby enhancing countries' competitiveness. Similarly important, it helps to improve control of the agriculture trade process, thereby improving health protection. For instance, it can decrease the use of fraudulent certificates, increase transparency related to issuing, re-issuing and receipt of certificates by relevant authorities, and facilitate the establishment of risk-based inspection systems.

Electronic SPS certification is about facilitating **safe** trade. This morning you will hear from the international standard setting bodies referenced under the WTO SPS Agreement (Codex, OIE and IPPC) - as well as from other international organizations - about their activities in this area. And this afternoon we can learn more from successful examples of electronic SPS certification systems in developing countries, such as Kenya and The Philippines, and from initiatives at a regional level.

Today's seminar complements and builds on recent research work commissioned by the STDF on the implementation of SPS control, inspection and approval procedures, in the broader context of "trade facilitation". This research work, which focused on selected countries in Southern Africa and Southeast Asia, identified a number of good practices to reduce SPS-related trade costs and enhance the effectiveness of SPS border controls, while at the same time reinforcing health protection. A briefing note highlighting the key results and recommendations of this work is available in the back of the room.

As many of you know, the STDF is a very successful global Aid for Trade partnership that has accomplished a great deal. It promotes the exchange of knowledge, facilitates collaboration and identifies good practice to enhance the effectiveness of SPS capacity

building. More than 150 collaborative and innovative projects have been approved to help developing countries, and in particular Least Developed Countries, to strengthen their SPS capacity and gain and maintain market access. For example, a recently approved STDF project aims to set up a global hub for electronic phytosanitary certification, and I am sure you will hear more about this project today.

In conclusion, I invite you to benefit from this highly informative seminar organized by the STDF and to gain valuable knowledge from the experts in the room and from the countries' experiences.

Thank you – and enjoy today's seminar.