

Developing National SPS Systems

Common principles, diverse needs

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Purpose of this study

To promote **good practice** in preparation of
SPS Action Plans for the development of
national SPS systems

Serving the national interest

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1. Challenge for developing countries

How to participate successfully in food and agricultural markets?

- Benefits from trade
- Protection against pests, diseases and unsafe food

WTO Members need to develop a national SPS system

- Requirement to observe provisions/principles SPS Agreement
- Technically difficult
- Expensive
- “No size fits all”: much difference in interests and conditions

SPS systems in many countries have serious weaknesses

2. National SPS Systems

Logical framework

1. impact of SPS operations

- Contribution to SDGs, in particular enhancing trade, mitigating health risks

2. outcomes of services provided

- Creating trust in services provided, low transaction costs

3. outputs: SPS services provided

- Information, assurances, certifications, permissions

4. SPS management and background processes

- Making best use of inputs, budget cycle, maintaining/developing capacities

5. inputs and SPS capacity elements

- Laws, institutions, data bases, standards, capacities, tools, labs, coordination, inspectorates, funds, governance

Simplified logframe of National SPS System

logframe elements	description
impact of SPS system operations	<ul style="list-style-type: none">• contribution to national development objectives
outcomes of SPS services provided	<ul style="list-style-type: none">• trust• transaction cost traders
outputs: SPS services provided	<ul style="list-style-type: none">• to trading partners• to private sector
SPS management and background processes	<ul style="list-style-type: none">• administration• maintaining capacity
inputs and SPS capacity elements	<ul style="list-style-type: none">• current inputs• Inputs for perennial use

Capacity and performance

1. **SPS capacity:** ability to perform SPS functions, solve SPS problems, and set and achieve SPS objectives in a sustainable manner
2. **SPS performance:** what does a country get back for its efforts?

No international SPS performance indicators

3. Ways to develop national SPS systems

- Ad hoc projects
- Assessment of capacity for implementing international standards
- SPS Action Plans

Approaches followed in capacity development

1. Main focus: **implementing international standards**, building CA
 - ISSB, technical assistance bilateral donors
 - Advantages: adopt recommended international harmonization
 - Risks: focus too narrow, improvements may not be used in near future
2. Main focus: **solving SPS bottlenecks trade, health protection**
 - World Bank, EIF, general development agencies
 - Advantages: sustainability, direct links to SDGs, low hanging fruit
 - Risks: focus too narrow, other improvements might have better results

Complexity requires attention to whole logframe

4. Role donors and international agencies in SPS capacity development

Providing

- technical advice
- good practice development
- funding of investment for SPS capacity development

STDF ongoing work: knowledge platform, good practice development, indicators, P-IMA, raising funds

Remaining challenges

- Sustainability, further cooperation (different approaches, different expertise)

5. Good practice considerations for SPS policies

Considerations based on:

- compliance with the SPS Agreement
- diverse national conditions, diverse needs
- analyses

Good practice considerations for SPS policies (1)

special topics

1. Legal and institutional framework

- Periodic review: compliance, national situation, gaps, inconsistencies
- Revise if functioning SPS system critically affected

2. Transparency

- WTO obligation and mutual benefit
- Create confidence trading partners
- Ease and predictability for traders
- Secrecy can be counterproductive

Good practice considerations for SPS policies (2)

3. Unnecessary costs for traders

- Many measures and procedures more costly than necessary
- Report gives 9 examples

4. Unacceptable health risks

- Periodic review: policies, measures
- Appropriate levels of protection: gaps, overprotection, ineffective measures

5. Capacity traders and producers

- Raise awareness, support training, risk management tools, applied research

Good practice considerations for SPS policies (3)

6. Risk assessment

- Full risk assessment can be demanding; need for pragmatic solutions.
- Mostly, use can be made of assessments from other countries.
- Risk categorization necessary for all countries.

7. Role of private SPS service providers

- Some SPS tasks can only be done by Government.
- Overview provided of possible roles for private service providers.

8. Laboratory capacity

- Many unsustainable investments: operational costs cannot be covered.
- Need for realistic business plans and national laboratory development plan.
- Fiscal autonomy and regulation needed for good management.

Good practice considerations for SPS policies (4)

9. Market segmentation: informal, emerging modern, modern

- Dilemma: Non-discrimination, practical/social considerations
- Differentiation based on risk, gradually phasing out, transparency

10. Border control

- Informal border trade often ignored in legislation; it needs risk-based control
- Options for improving SPS border handling: Cooperation, release procedures, document and application requirements, single windows, SAD, IT

11. Rent-seeking and corruption

- Improvements: transparency, rule of law, simplify procedures, reduce document requirements, minimize contacts traders and SPS staff, risk-based management, abolish unnecessary licensing and import permits
- Broader anticorruption programs

Good practice considerations for SPS policies (5)

12. Domestic and foreign capacity

- Foreign providers may be better and cheaper
- Level-playing field

13. ICT

- Opportunities for improving SPS systems: Initially more skills and higher cost
- Obstacles: low IT literacy, different business processes, parallel paper and ICT, improve business processes before automation

14. Funding

- Shortages and imbalances: Benefits from clear policy objectives, priorities, sequencing, budget needs for the short, medium and long term
- Cost recovery requires more attention

6. Considerations and recommendations for preparing an SPS Action Plan

Based on:

- Experiences
- Analysis

Considerations and recommendations for preparing an SPS Action Plan (1)

1. Purpose of SPS Action Plan is to help decision makers

- sharpen policy objectives, understand SWOT, policy reform, use scarce resources, prioritize investments, dialogue with stakeholders and donors
- focus on trade and protection against health risks, contribute to national development objectives, SDGs
- go beyond adoption of international standards and management of the CAs

2. SPS Action Plan can be self-standing or part of broader plans

- Trade facilitation, public health, agricultural development
- Use in preparation of investment projects
- Methodology can focus on whole SPS system, on sectors, or other sections

Considerations and recommendations for preparing an SPS Action Plan (2)

3. Usefulness of preparing an SPS Action Plan depends on

- Clarity of its scope, buy-in private sector, ownership of senior policy makers
- Preparation periodic guidance policy makers
- Senior policy makers decide on prioritization, SPS Action Plan, next steps

4. Making an SPS Action Plan is only recommendable if there is a likely follow-up in desirable policy reform and/or investment

5. Preparation of an SPS Action Plan has to start with

- clarification of scope, focus, ownership, mandate, expectations commissioners/ recipients
- clarification of policies and development objectives

Considerations and recommendations for preparing an SPS Action Plan (3)

6. Making an SPS Action Plan is a major exercise

- requires considerable amount of time and budget
- multi-disciplinary team of specialists

7. Rent-seeking and corruption

- can significantly affect effectiveness and efficiency of SPS systems
- governance issues deserve place in capacity development

8. Transparency and consultation

- important for the quality and balance of an SPS Action Plan
- acceptance by Government, private sector, donor community
- reduces selective use information, rent-seeking, in-fighting stakeholders

Considerations and recommendations for preparing an SPS Action Plan (4)

9. Data collection

- Follow logframe, with detail as required
- Shortcuts guided by already available information, limitations in focus and resources

10. SWOT analysis and economic evaluation

- Can contribute to sharpening options for improvement

11. Cost of SPS capacity development

- Staff, laboratories and technical facilities can be expensive
- Improvements of measures that are more costly than necessary, may save operational expenses and investment

Considerations and recommendations for preparing an SPS Action Plan (5)

12. Assessing costs and benefits faces lack of hard data

- Yet, important, with sensitivity analysis where relevant
- Get assessments of the magnitude of costs and benefits
- Get estimates of required efforts and expected benefits
- STDF tool P-IMA can be helpful

13. SPS Action Plans deserve updating after 6-8 years

QUESTION

What role might the knowledge platform STDF play in improving work in this area?

Thank you very much