

# **West Africa Trade Hub**

## **Building SPS Capacity**

**For increased intra-regional and international  
trade for West Africa**

**By Kofi HUMADO**

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# Objective of Presentation

- The present Workshop brings together stakeholders of **varying professional backgrounds** (public regulatory institutions and private sector actors)
- It is therefore important to bring everyone on board through an **introductory presentation on WTO SPS Agreement** so that all participants understand the basics of this agreement in order to participate and contribute effectively to the deliberations of the workshop

# Presentation Outline

- Global trade in agric. and associated risks to human, animal and plant life
- The WTO sanitary and Phyto-sanitary Agreement:- definitions, main provisions and principles
- Forms of SPS measures
- Role of national SPS regimes/ institutions
- Challenges of SPS compliance in West Africa
- Issues for Regional SPS Capacity Building & Expected benefits
- UEMOA experience & signed SPS Cooperation Agreement
- Issues for ECOWAS SPS harmonization Road map

# Global Trade in Agriculture and Associated Health Risks

- The majority of the population in West African countries (60-70%) is in the agricultural sector
- The ability of West African countries to generate rapid economic growth, create jobs and reduce poverty depends on:
  - the **competitiveness** of the agricultural sector
  - the ability of agricultural producers to **sell** their goods in major world markets that have greater purchasing power than their own

# Global Trade in Agriculture and Associated Health Risks (contd)

- WA countries have great **potential** for trade in agricultural products (organic, fresh and processed plant, fish and animal products)
- One major factor limiting the ability of WA agricultural producers to sell in major world markets is their **low capacity** to meet importing countries' **quality requirements** also known as **sanitary and phyto-sanitary standards (SPS)**

# Global Trade in Agricultural Products and Associated Health Risks (contd)

- Global trade in agricultural products has contributed to the spread of diseases all over the world
- Hence governments have a responsibility to protect citizens and the environment against imported **externalities** (such as invasive pests, diseases and unwholesome foods)
- SPS measures are meant to safeguard the health and safety of consumers, protect farming systems and the environment from the effect of importation and spread of harmful diseases, pests and consumption of contaminated food

## WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

- The World Trade Organization (WTO) is the international body that sets and oversees the global rules for trade among nations. (Jan 1995)
- These agreements are negotiated and signed by the bulk of the world's trading nations and ratified by their governments (all WA except Cape Verde, Liberia)
- One of such trade agreements is the **WTO Agreement on Sanitary and Phyto-sanitary Measures** which provides the legal ground rules for ensuring *health quality standards* while seeking to promote international trade in agricultural products

# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

- Annex A of the World Trade Organization (WTO), Sanitary and Phyto-sanitary Agreement (1994), states that an SPS measure is one applied:
  - for the protection of animal or plant life or health within the territory of a member from risks *arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms*;
  - for the protection of human or animal life or health within the territory of a member from risks *arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs*;



# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

- for the protection of human life or health within the territory of a member from risks *arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or*
- for the prevention or reduction of the risks of damages *within the territory of a member from the entry, establishment, or spread of pests.* (Appendix A of WTO-SPS Agreement 1994, Annex A)
- Three main areas of SPS include:
  - Plant health (phytosanitary)
  - Animal and fish health (zoosanitary)
  - Human health (food safety)

# **WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)**

- “animal” includes fish and wild fauna
- “plants” include forest and wild flora
- “pests” include weeds
- “contaminants” include pesticides residues, veterinary drug residues, additives, mycotoxins and extraneous matter.
  
- These standards are set for WTO by Sister Organizations: CAC, IPPC/FAO, OIE, (WHO)

# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

Provisions consist of two parts:

- (a) **substantive provisions**: - aimed at protecting human, animal and plant health and life while preventing unjustifiable barriers to trade
- (b) **procedural provisions**:- create a framework to improve communication between members regarding proposed SPS changes and to provide a forum for dispute settlement

# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

Agreement is based on 5 main principles:

- **Harmonization**:- encourages member countries to adopt measures that conform to international standards, guidelines, and /or recommendations of international agencies (CAC, IPPC/FAO, OIE/WHO)
- **Equivalence**:- mutual recognition of different but equivalent measures to achieve international standards
- **Non-discrimination**:- quality standards imposed on imported agricultural products should not be different from those on same domestic produce

# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

- **Transparency**:- notifying trading partners of changes in a country's SPS measures, especially when measures differ from international standards
- **Regionalization**:- processes and procedures that allow continued exports from clean (disease free) areas of affected countries or across countries.

# WTO Sanitary and Phyto-sanitary Agreement: Definitions, Main Provision and Principles (contd)

- The agreement reaffirms the freedom of countries to choose their *appropriate level of protection* against imported pests and pathogens. However, where the measures do not conform to international standards, the importing country must *scientifically* investigate why the measures are needed and how they control risk
- The application of the agreement is to ensure that SPS measures are used only to the extent necessary to ensure food safety, animal and plant health and not for **protectionist measures** to unduly restrict market access for other countries.

# Forms of SPS measures

SPS measures take many forms and include laws, decrees, regulations, requirements, procedures

## Examples:

- Inspection, approval and certification procedures
- Methods of risk assessment
- Production and process methods
- Sampling and testing procedures
- Food safety related labeling

# Role of National SPS Regimes

A country's SPS regime must be able to:

1. Support domestic industry's ability to meet SPS measures requested by trading partners
  - **formal** requirements of governments (regulatory institutions)
  - **informal** requirements set by market actors/private sector e.g. supermarkets and consumer associations
2. Implement trade related SPS obligations
  - Ensure that national standards are consistent with WTO SPS Agreement esp. principle of transparency & national treatment



# Role of National SPS Regimes (contd)

3. Support participation of public/private sector in SPS related trade discussions in international standards setting organizations
  - WTO Committee on SPS standards
  - Meetings of IPPC, OIE, CAC
  - Dispute settlement Meetings

# Challenges of SPS Capacity for West African Countries

- **Outdated** legislation often lacking effective regulatory mechanisms for enforcement
- **Overlapping** mandates of SPS institutions
- **Weak coordination** and **poor information sharing** among government SPS agencies leading sometimes to rivalry
- Inadequate communication of information between **public SPS agencies** and the **private sector**

# Challenges of WTO SPS Capacity for West African Countries (contd)

- **Inadequate** skilled human resources in both public and private sector to cover all key aspects of SPS
- Inadequate physical and infrastructural facilities (labs, equipment, ) in both private and public sectors

# Challenges of WTO SPS Capacity for W/A Countries (contd)

- SPS compliance is better for traditional exports e.g. cocoa, coffee through their **commodity boards**
- SPS systems and compliance are poorer for non-traditional but high value export products (fruits, vegetables, fish, meat, nuts, spices)
- WA needs to improve SPS capacity particularly for non-traditional high value agricultural export products to achieve sustainable export **diversification** and growth

# Challenges of WTO SPS Capacity for W/A Countries (contd)

- Decision to invest in compliance systems must be based not only on cost to the producer/exporter but also benefits to the national economy
- Cost of compliance needs to be weighed against cost for non compliance, expected benefits arising from improving domestic food safety and health of consumers
- Additional possibility of increasing off-farm employment opportunities in product cleaning, handling, processing, and packing etc.

# The need for Regional SPS Harmonization?

- National and Regional SPS Capacity building are complementary
- Some SPS issues cannot be effectively handled by any one country in the sub-region. These issues are said to be *externalities* and require a regional authority to manage them on behalf of member states
- Need to distinguish between SPS issues capable of national level management and those to be handled at regional level

# Some issues for Regional Harmonization

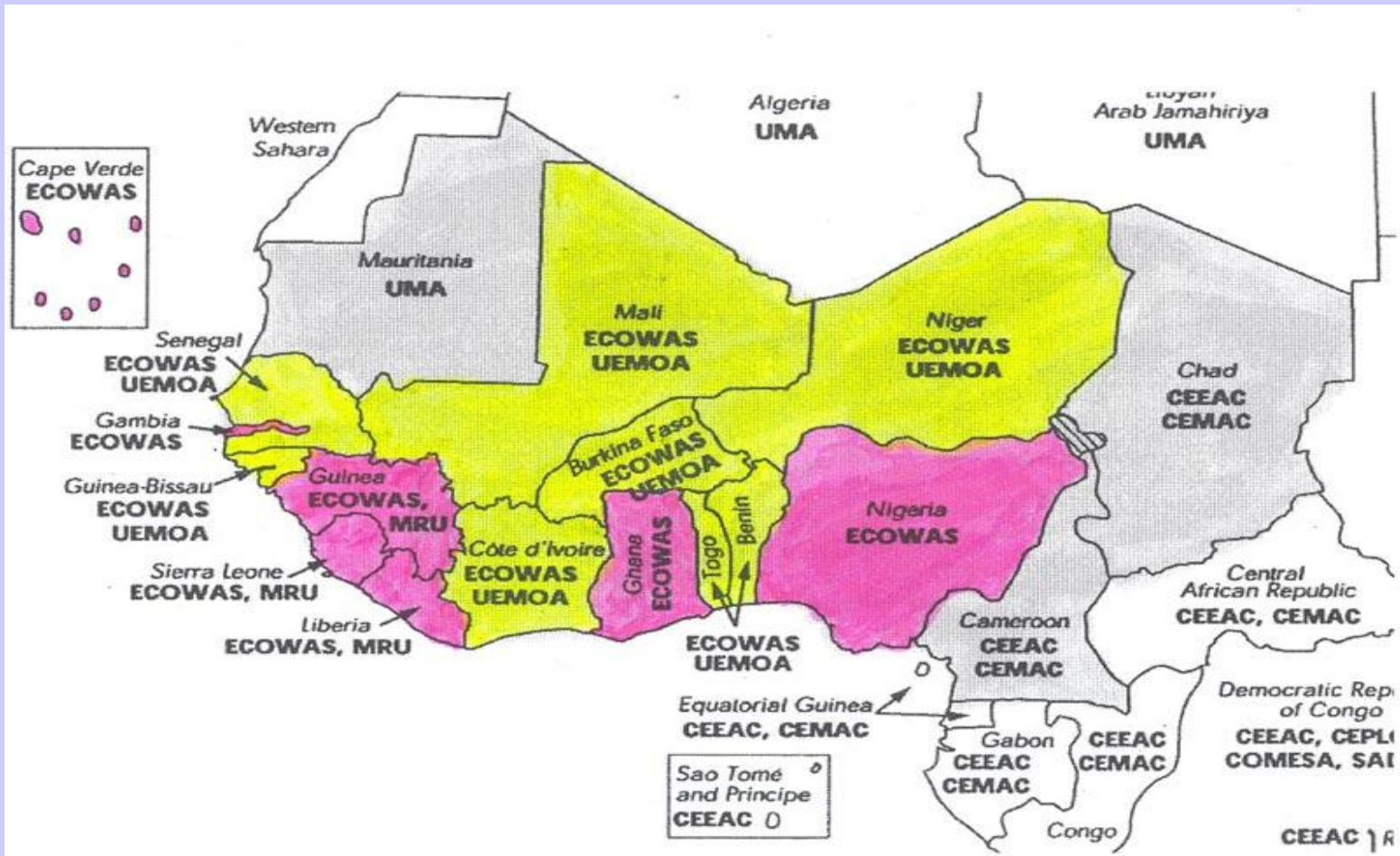
- Examples of regional SPS issues:
  - Management of risk posed by transhumance
  - Management of pest and diseases posed by informal trade in goods and services across borders
  - Risk posed by unregulated use of pesticides in the region
  - Absence of efficient and accredited regional reference laboratories for special analysis
  - Lack of effective regional position on issues for international negotiation and dispute settlement
  - Poor coordination of regional SPS training and HR development programmes

# Expected benefits from Regional SPS Harmonization

- Increased intra-regional and international trade for WA countries
- Increased export revenues, poverty reduction, increased employment generation
- Lower risk of diseases to West African farming systems (greater productivity and reduction of losses)
- Better food security and food safety for West African consumers



# ECOWAS SPS Harmonization



# Highlights of UEMOA draft SPS Agreement

1. UEMOA cooperative agreement is based on the WTO SPS Agreement but customized for the purpose of the Union
2. The agreement proposes establishment of competent Authorities for implementing the SPS agreement of the Union e.g.
  - a. Regional Sanitary and Phyto-sanitary Committee
  - b. Regional Network of National SPS Agencies
  - c. Regional Network of Alerts on Food and Feedstuffs

# Highlights of UEMOA draft SPS Agreement (contd.)

- d. Regional Monitoring and Evaluation Agency (Observatory)
- e. Regional Network of Experts on Sanitary and phyto-sanitary measures (Universities, research institutions)
- f. Regional Network of Sanitary and Phyto-sanitary Laboratories
- g. Regional Network for SPS Human Resource Development and capacity building
- h. Guidelines on Notification Procedures for the Union

# Highlights of UEMOA draft SPS Agreement (contd.)

- k. Participation in activities of international agencies
- l. Principles of harmonization of sanitary and phyto-sanitary standards
- m. Mutual recognition of equivalency and their implementation procedures
- n. Sanitary and phyto-sanitary capacity building

**NOTE:** Proposed agreement was signed in December 2006 by Council of Ministers of UEMOA

# **ECOWAS road map for regional SPS harmonization ?**

1. What is the ECOWAS road map for unification of UEMOA SPS agreement with non-UEMOA member states
2. What is the ECOWAS program to facilitate national and regional consultations in non-UEMOA countries to deliberate on the draft UEMOA texts?
3. What are the implications as the UEMOA agreement is already signed before its extension to non-UEMOA.



**THANK YOU**