

PRIORITIZING SPS INVESTMENTS FOR MARKET ACCESS (P-IMA)

Developing countries face considerable demands to strengthen their sanitary and phytosanitary (SPS) capacity to support domestic economic and social policy objectives, including the desire to boost agri-food exports. Yet the resources available from national budgets, donors and/or private businesses are usually insufficient to address all the identified needs, especially when prevailing SPS capacity is weak. This requires hard choices to be made between competing investments that may all be likely to bring appreciable benefits (e.g. in terms of export performance, agricultural productivity and/or health protection) in the longer term. These decisions are often made subjectively by a few individuals, with little transparency on why particular investments were prioritized, what factors were considered, which stakeholders were consulted or what information was utilized.

A framework for better decision-making

The STDF, in collaboration with USAID, USDA, COMESA and governments in a number of developing countries, has developed a framework to help inform priority-setting between competing SPS capacity building investments. The framework aims to inform and improve decisions on where to invest in SPS capacity building.

Prioritizing SPS investments when resources are limited is not easy. Proponents of competing investments will almost always be able to make compelling cases why particular weaknesses should be addressed immediately, while other investments can wait. Efforts to establish priorities will be closely scrutinised and often questioned by those who favour investments that are judged to be of lower priority.

P-IMA addresses these challenges by engaging all the relevant stakeholders to discuss SPS investment needs, identifying and applying specific decision criteria and weights to prioritize possible investments, and transparently documenting the findings, as well as all the data and information utilized. Use of P-IMA generates valuable information to inform and support SPS planning and decision-making processes, including resource allocation decisions.

Expected benefits of using P-IMA

- Evidence on the likely impacts (e.g. on trade, poverty reduction, public health) of investing in SPS capacity that can help to obtain additional resources from national sources or donors.
- Greater economic efficiency of SPS investment decisions. Scarce resources are more likely to be allocated in a way that supports policy objectives (e.g. economic development, poverty reduction, public health, agricultural development).
- More transparent and accountable choices between multiple investment options.
- Improved dialogue between diverse public, private and other stakeholders with an interest in SPS capacity building, and more inclusive decision-making processes.

Key principles

The P-IMA approach is based on four key principles:

- **Flexibility:** It can be applied to as many potential SPS capacity-building needs as considered relevant, as well as diverse decision criteria that might be measured in distinct ways given available data.
- **Pragmatism:** The design balances rigour in setting priorities with the challenge of scarce and/or weak data. The framework makes use of the best data and information that exists, and incorporates new or better data whenever available.
- **Participation:** Inputs are encouraged from all stakeholders (government, private sector, research, academia, etc.) with an interest in strengthening SPS capacity.
- **Transparency:** The criteria and information used to identify priorities are clearly documented so they are open to scrutiny and can be challenged.

Complementing sector-specific capacity evaluation tools

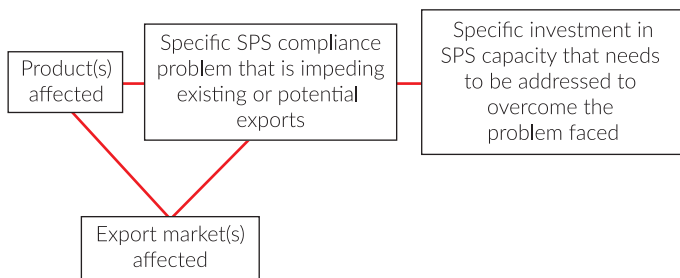
The P-IMA framework complements and builds on SPS-related capacity evaluation tools developed by international organizations. These include the Phytosanitary Capacity Evaluation (PCE) Tool of the International Plant Protection Convention (IPPC), the Tool for the Evaluation of Performance of Veterinary Services (PVS Tool) of the World Organisation for Animal Health (OIE), and the Food Control System Assessment Tool being developed by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO). Use of these official capacity evaluation tools is strongly encouraged prior to the application of P-IMA to enable countries to properly identify and fully understand the full range of capacity building needs that exist in the area of food safety, animal and plant health, whether related to domestic health or trade.

How is P-IMA used in practice?

The P-IMA framework proceeds through a logical sequence of steps, which are illustrated in Figure 2 and described in detail in the user guide on the STDF website. A small team – comprising experts in food safety, animal and plant health and trade, as well as an economist – is created to lead the data collection and analysis work. Relevant stakeholders from the public and private sector, academia and research, are actively consulted throughout the process.

The stakeholders involved agree on the various SPS investment options to be considered in the analysis (Figure 1). They also identify the specific decision criteria (e.g. the costs involved, expected impact on trade, agricultural productivity, poverty reduction, etc.) and decision weights which will be used to carry out the prioritization. Data and information related to each of these decision criteria is collected for each of the SPS investment options included in the analysis. Everything is clearly documented.

Figure 1: Definition of SPS capacity-building options



Once all the information has been compiled, computer software (D-Sight) is used to calculate the priorities using multi criteria decision analysis. The results emerging from the prioritization exercise are carefully examined, for instance to consider the sensitivity of the rankings to changes in the decision weights, or other key parameters or measures over which there is uncertainty.

A report is then drafted and shared with concerned stakeholders for feedback. It includes charts illustrating the rankings generated on the basis of the selected decision criteria and weights. Improved data and information is incorporated, whenever available. Corrections or refinements are introduced, as required, and the analysis is re-run. Importantly, the prioritization and report should be seen as “living entities” that can be revised as new information becomes available, existing needs are addressed and/or new priorities emerge. While decisions might still be made to pursue SPS investments that are not prioritized highly (e.g. for political or other reasons), using P-IMA makes transparent all the information on which priorities are established, and puts the onus on decision-makers to justify their choices.

Multi criteria decision analysis (MCDA) offers an approach to consider and evaluate different criteria to support decision-making. MCDA is not new. Governments and the private sector have been using MCDA to inform decision-making processes since the 1960s (e.g. in the area of natural resource management or transportation). In the public health area, authorities in Canada have used a multi criteria decision analysis framework to rank foodborne risks. FAO is adapting the MCDA approach to support evidence-informed food safety policies and risk management decisions.

Evidence on the likely impacts of SPS investments

The P-IMA framework requires all the criteria used to establish priorities to be explicitly defined. The chart below shows how different criteria contribute towards the prioritization of SPS investment options in “Aflandia”, the fictional country used as a case study in the P-IMA user guide.

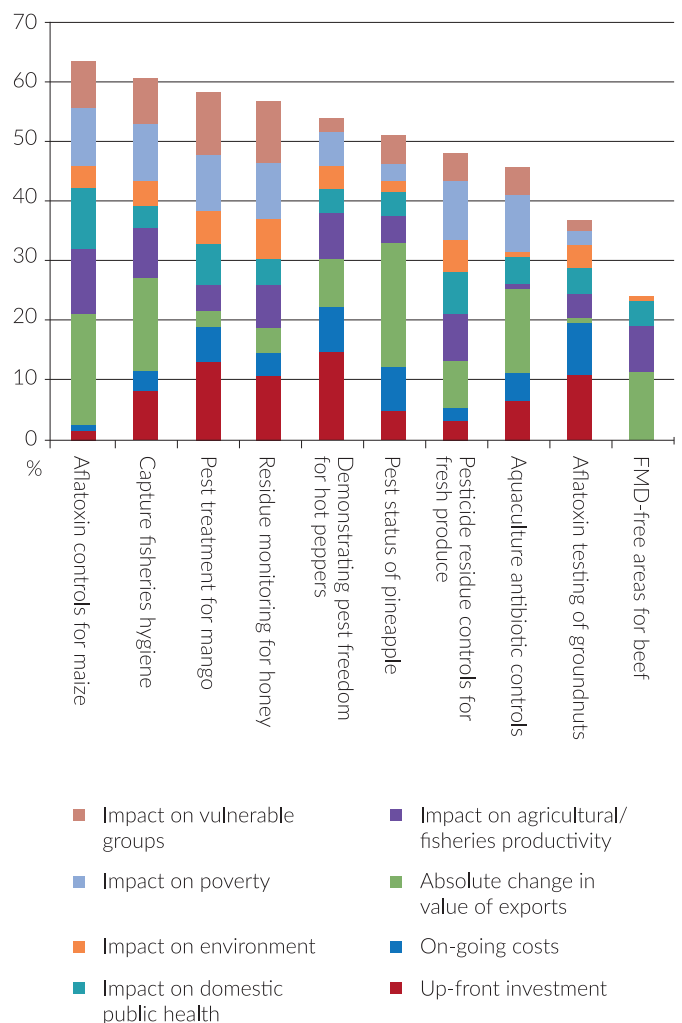
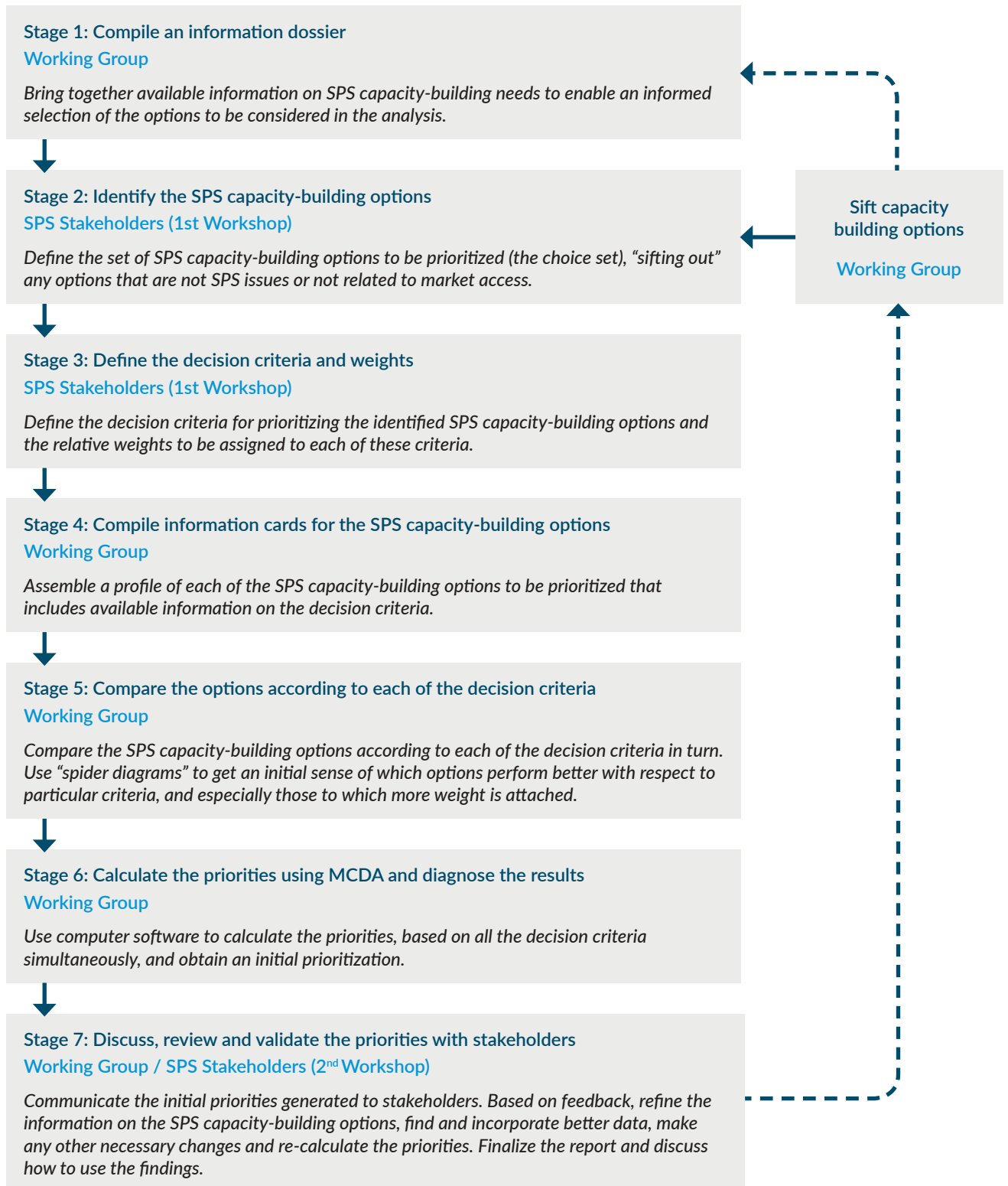


Figure 2: Steps involved in using the P-IMA framework



Results and experiences

P-IMA has been used to prioritize SPS investment options in 10 developing countries that differ considerably in the scale and diversity of their agri-food exports, and the range and magnitude of SPS capacity-building needs. These countries included Belize, Ethiopia, Malawi, Mozambique, Namibia, Rwanda, Seychelles, Uganda, Vietnam and Zambia. Their experiences have highlighted many of the benefits of using P-IMA, for instance to facilitate public-private dialogue on SPS matters, increase political awareness about the benefits of strengthening SPS capacity, inform and improve national SPS planning and decision-making processes, support project design and leverage additional funding. They have also demonstrated that it is possible and valuable to use P-IMA even where data and information is limited or officials have little or no prior experience with structured approaches to priority-setting. The greatest potential returns are to be gained by using the P-IMA framework on an ongoing basis. Thus, as specific SPS capacity-building needs are addressed and/or emerge, or as new data becomes available, the prioritization is updated.

Based on the positive experience of using P-IMA to prioritize SPS investment options, some countries identified potential to use the same approach to improve decision-making in other areas. For instance, authorities in Belize used the approach to prioritize intervention areas targeting micro, small and medium-sized enterprises and to inform agricultural investment plans. In Malawi, the approach was used to prioritize interventions in trade facilitation. USAID has used the approach to prioritize interventions in particular value chains and thematic areas (e.g. aflatoxin control) in Africa.

Are you interested to use P-IMA?

The STDF has published a user-friendly guide explaining the steps involved in using P-IMA, with experiences and tips from countries that have used this approach. The guide is available on the STDF website (www.standardsfacility.org), together with reports and presentations describing its use in practice. Additional information and advice is available from the STDF Secretariat: STDFSecretariat@wto.org

*"Use of P-IMA helped to raise high-level awareness about the importance of SPS capacity. It has also helped to integrate SPS priorities in agriculture sector investment plans under the Comprehensive Africa Agriculture Development Programme",
Martha Byanyima, COMESA Secretariat*

How can P-IMA support you?

- Provide compelling evidence to help develop SPS capacity-building projects, and mobilize funds.
- Stimulate and inform stakeholder discussions about SPS capacity-building needs.
- Raise high-level awareness about the value of investing in SPS capacity-building.
- Improve SPS planning and decision-making processes.
- Guide the development of national actions plans to build SPS capacity.
- Integrate SPS priorities into agriculture and/or trade investment plans.

*"Using P-IMA demonstrated the expected returns on different SPS investments, providing useful evidence to convince policy-makers of the need for additional investments. For instance, the use of P-IMA affirmed Government's decision and support for new investments to improve animal health controls for live cattle to facilitate exports to Mexico."
Delilah Cabb, Belize Agriculture Health Authority*
