



Implementing SPS measures to facilitate safe trade

RESEARCH IN AFRICA

**STDF Thematic Session on Trade Facilitation
WTO, Geneva, 26 March 2014**

Rob Black

International Consultant for STDF

rob@ocimum-biosecurity.eu, r.black@gre.ac.uk



DR ROBERT BLACK

Consultancy, research, teaching and training in
Biosecurity law, regulation and risk assessment

Research on Trade Facilitation in Africa

Plan of this presentation

- Key issues in objectives
- How research was conducted
- **Conclusions on findings**
- **Moving forward on Trade Facilitation in Africa**
- Acknowledgements

Background to Trade Facilitation in Africa

- Progress in implementation of SPS Agreement
 - Most African nations joined WTO at outset (1995)
 - However, much remains to be done for compliance: legislation, institutional reform, infrastructure and manpower to address SPS issues
 - Since c. 2002, many initiatives to address compliance, emphasis on technical aspects of measures – import requirements to be consistent with SPS Agreement and market access
 - In parallel, Customs-focused work on ‘Trade Facilitation’ by improving infrastructure and logistics in border operations, including ‘single window’, electronic documentation. Example: one-stop border post at Chirundu (Zambia/Zimbabwe)

Important issues in objectives

- Distinction drawn between sources of NTBs
 - The ‘technical requirements’ such as Maximum Residue Limits (MRLs) or pest risk are not justified in terms of risk
 - Lack of transparency so traders are not aware of the requirements, either because legislation is out of date and/or information has not been made publicly available.
 - Control, inspection and approval procedures such as required for conformity assessment cause unnecessary delays, are excessively costly, etc.

How the project proceeded

Country	Exported product*	Time frame	Activity
Botswana	Meat of bovine animals, fresh chilled or frozen	Aug – Dec 2013	Development of methodology
Malawi	Groundnuts (not for oil extraction)	Jan – Feb 2014	Questionnaires /interviews
Mozambique	Fish and seafood products	Feb 3-12 2014 22 April	National Workshops
Zambia	Maize (excluding sweet corn)	26 March 2014	Interim report @ Geneva
Zimbabwe	Milk and milk products	30 April	Draft final report

* Initial selection

Methodology looking for Key Outcomes

- (1) Level of transparency/availability of information,
- (2) use of international standards, where applicable,
- (3) whether the technical measures in themselves are non-tariff barriers (**NTBs**), because for example they are not risk-related,
- (4) any excessive procedural requirements, avoidable costs (including informal payments) in terms of time and money,
- (5) cases of lack of consistency, discrimination or arbitrariness,
- (6) technical challenges (e.g. accredited laboratory),
- (7) positive initiatives (existing or suggested) to facilitate trade,
- (8) overall impact of SPS on trade facilitation,
- (9) goods in transit or in 'cross-border' or local trade.

Conduct of research

- Focal Point identified, helped National Consultants find subjects
- Questionnaires sent out in advance
- Face to face interviews wherever possible (or telephone)
- Sometimes group interviews (quasi focus groups)
- National Workshops
 - Review of results/gathering additional information
 - Brainstorming on current and future trade facilitation initiatives

Conclusions on findings (1)

- Perceptions/subjective opinions can help identify issues to be addressed, rather than apportioning 'blame':
- Poor transparency may be due to limited flow of information to private sector but also Traders may need to be educated or become more aware
- Fee situation complicated
 - 'Reasonable' fees may be too low for cost recovery
 - There may be unexpected or hidden charges (e.g. penalty payments) even when there are no fees (Botswana)
 - No substantial evidence of rent seeking

Conclusions on findings (2)

- Impact of SPS measures on trade facilitation is variable overall – as attested by both officials and traders – due to differences in infrastructure and logistics at different border crossings and general differences in capacity in different countries
- However, poor information flows and poor coordination among officials is undoubtedly a factor in delays due to fragmented services and frequency of faulty applications
- Trying to find ‘optimum’ direct costs and processing times may not be realistic
- Biggest contributor to costs is probably indirect costs due to delays (USD250-500 per day in the region studied)
- ‘Informal payments’ are made but this does not appear to be a major problem in most of the countries studied – assuming traders felt free to talk

Conclusions on findings (3)

- Significant problems encountered with goods in transit, due to a number of reasons.
- Transit through Zimbabwe presents a major problem
- Significant cases of goods supposedly in cross-border trade appearing in urban markets
- Generally results in urban markets being supplied with fruit, vegetables and fisheries products that would otherwise be rejected as over-ripe, otherwise unfit for human consumption or possibly unsafe
- Represents a loss of tax revenues to importing country

Moving forward on Trade Facilitation in Southern and Eastern Africa

- Findings point to issues to be addressed
- Research itself asked for initiatives on trade facilitation
- Taken forward in second part of National Workshops – Brainstorming to identify constraints and make recommendations
- Indicative results of brainstorming in Malawi →
- Several parties will be interested to take up findings and ensuing recommendations into new projects (to follow)

Challenges/constraints to Trade Facilitation - Malawi

Challenges/Constraints	Recommendations
Traders have to glean information about SPS requirements	Provide information in suitable format/media
	Better coordination
	Re-activate SPS Committee
	Partnerships to be involved in info dissemination
Border posts not manned by SPS	Data management to allow Customs to make decisions
	Provisional entry to inland inspection and testing station
Manual processing	Malawi already championing single window operation
Trade Facilitation overall	24/7 border opening on both sides
	Provisional clearance to ease congestion

Challenges/constraints to Trade Facilitation – Malawi (2)

Challenges/Constraints	Recommendations
Lack of risk assessment capacity	Capacity building
No facilitation of low/medium risk goods	Exempt processed food, etc. from phytosanitary certificates Avoid unnecessary inspections
Lack of capacity to adopt international standards for domestic consumption	Fish trade strategy Enforcement of standards for groundnuts - aflatoxin and maize; pesticides in F&V Mandate of Bureau of Standards National MRL may be necessary
Extra/unnecessary payments in transit countries	Bilateral discussion

Other SPS TF projects in Southern/Eastern Africa

- US \$7.5 million to finance the COMESA-EAC-SADC Tripartite Capacity Building Programme (TCBP) – African Development Bank
 - 2013-2016
- Pipeline COMESA project – “breaking barriers-facilitate trade” – STDF
- Outcomes of Multi-Criteria Decision Analysis (MCDA) in COMESA, e.g. Malawi aflatoxin project
- *Results from this project will be taken up by these and other projects*



France

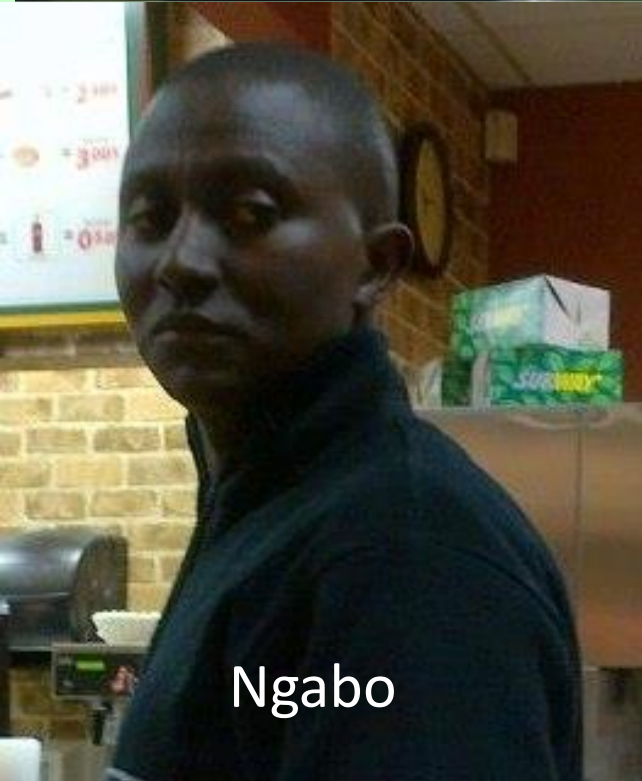
Carlos



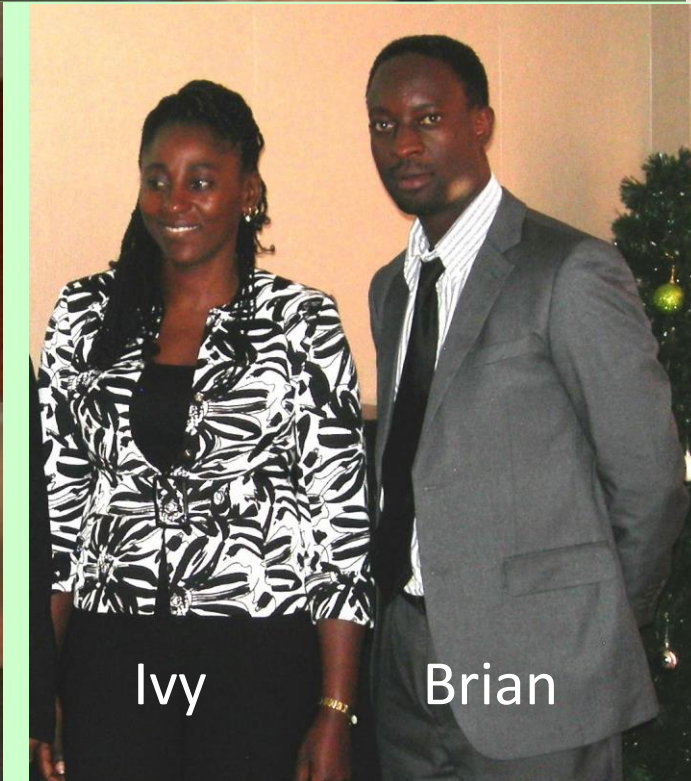
Jennifer



Martha



Ngabo



Ivy

Brian

**National
Consultants,
TMSA and
COMESA**