



## Integration and Trade Sector (INT) support on SPS related issues

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# Contents

1. IDB current strategy
2. SPS Areas of intervention

# IDB Strategic Pillars: capital increase of US\$ 70 billion

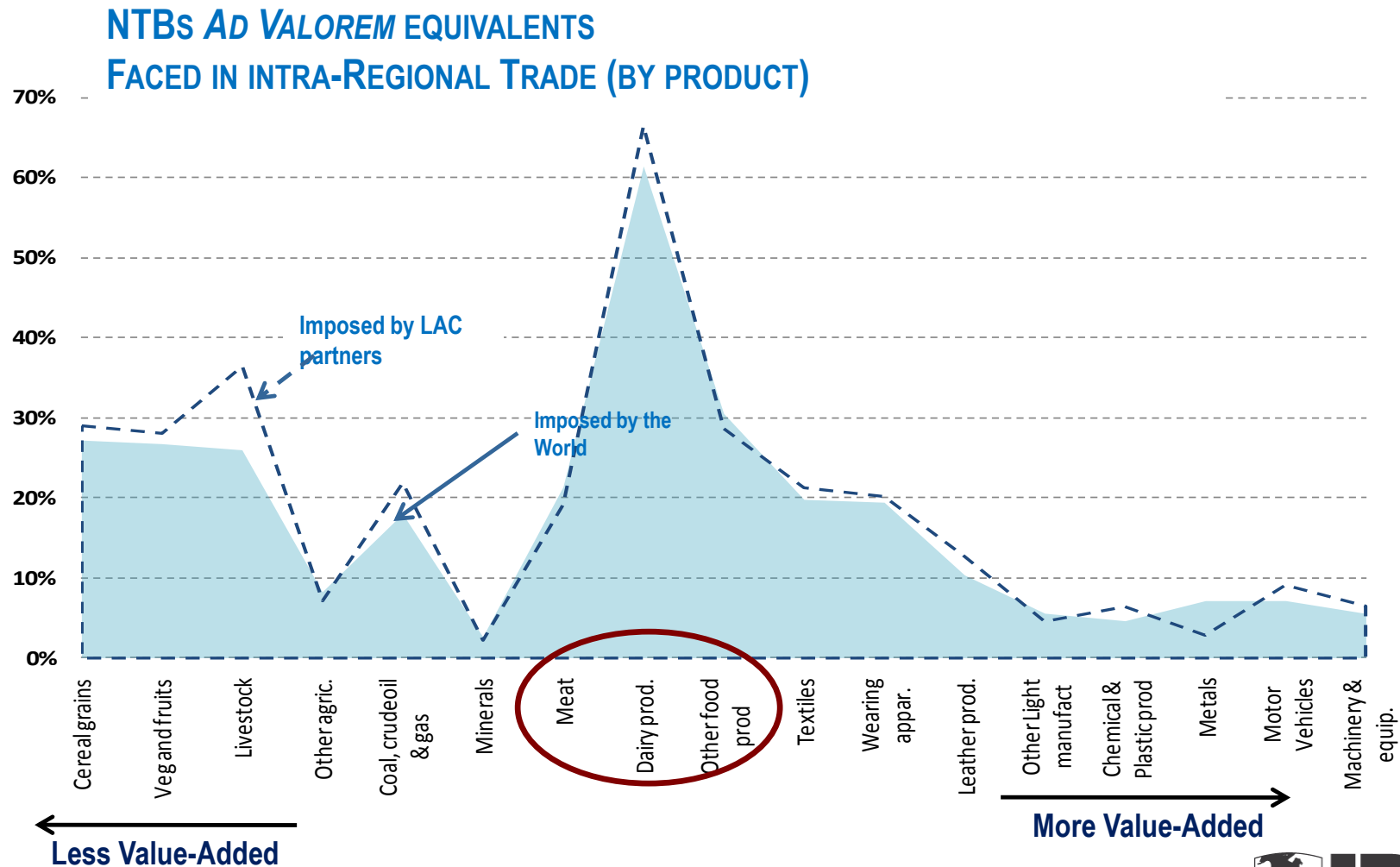
Sector priorities	On-going involvement	Development areas
<b>1. Social policy for equity and productivity</b>		
Safety nets for the poor	Expansion and improvement of conditional cash transfer programs; temporary employment programs	Incentive-compatible design of social safety nets; articulation with labor markets
Labor markets	Training, labor intermediation services	Design and financing of social insurance systems; expansion of social security to informal workers; functioning of labor markets and informality
Education	Expansion of coverage in preschool and secondary levels	Early childhood development; school to work transition; quality of primary and secondary education
Health	Expansion of access to basic health and nutrition services	Preventive health protocols; tackling epidemiological transition
Gender and diversity	Expansion of basic services and social safety nets to Afro-descendants and indigenous communities	Labor market outcomes for women; narrowing gaps in indigenous women's education and health outcomes; strengthening the legal framework against discrimination
<b>2. Infrastructure for competitiveness and social welfare</b>		
Basic services	Infrastructure investment to expand access to water and sanitation	Governance and efficiency of the water and sanitation sector; waste management
Productive infrastructure	Expansion of transport and energy infrastructure	Sustainable transport alternatives in urban areas; energy efficiency
<b>3. Institution for growth and social welfare</b>		
Financial services	Strengthening SME lending through second-tier vehicles	Institutions and policy reforms for improved credit markets and financial services
Fiscal efficiency and sustainability	Institutional strengthening at national and subnational levels; continued support to decentralization agenda	Tax policies and administration; public expenditure management
Citizens' security	Social rehabilitation; modernization of criminal justice	Multidimensional interventions in citizen's security; anticorruption and anti-money laundering initiatives
<b>4. Competitive regional and global international integration</b>		
Trade and Integration	Negotiation and implementation of trade agreements; trade facilitation and customs procedures; administration and harmonization of trade regulations; export and foreign investment promotion; regional infrastructure corridors; regional public goods	Convergence mechanisms among multiple trade agreements; trade security and logistics; regulatory frameworks for capital and labor migration; trade in services; multi-country infrastructure projects; coordination of national sovereign operations featuring cross-border externalities; large-scale regional public goods
<b>5. Protect the environment, respond to climate change and enhance food security</b>		
Environment and climate change	Development of institutional and regulatory frameworks to allow investments in sustainable transport, alternative fuels, renewable energy and energy efficiency	Climate change adaptation in priority sectors such as water, agriculture and energy; development and use of sustainable (including renewable) energy sources, energy efficiency technologies and practices, and carbon finance; risk management for natural disasters
Food security	Agricultural development; land tenure	Increasing food security through agricultural productivity

Focus for SPS:

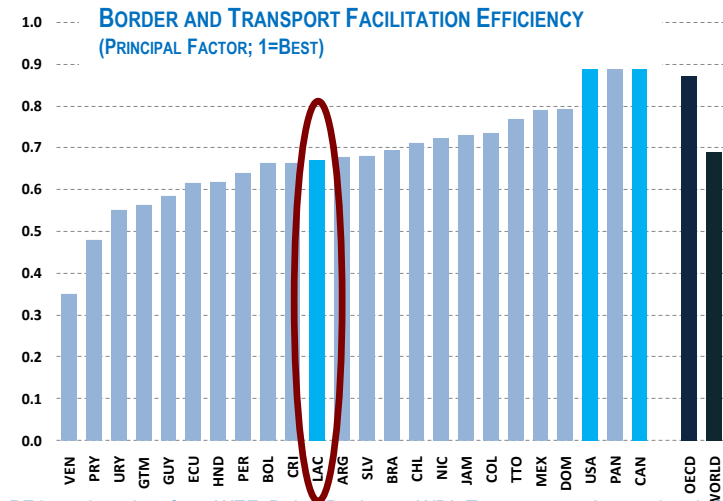
**1.SPS regional integration/initiatives**  
(harmonization regulation, institutional capacity within LAC trade blocs)

**2.SPS/trade facilitation:** strengthen border operations, reduce costs and speed up the clearance process of agricultural products at customs

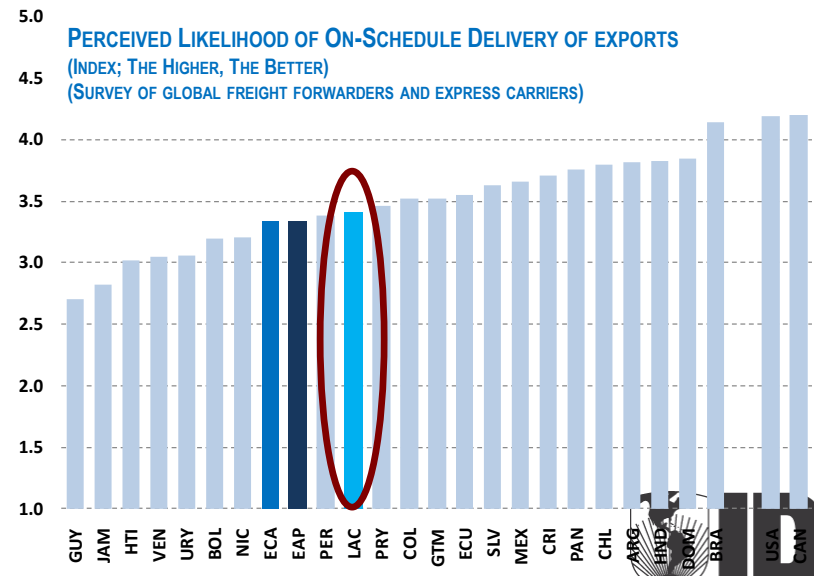
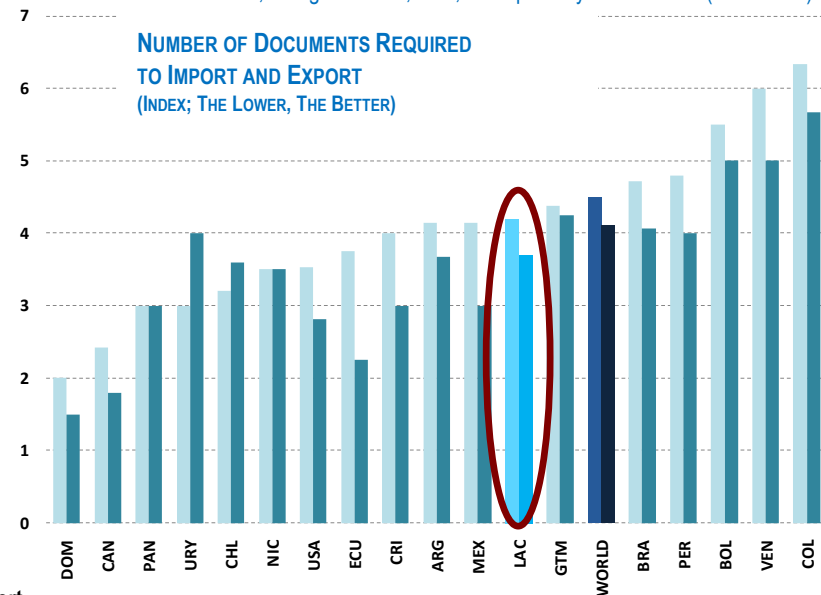
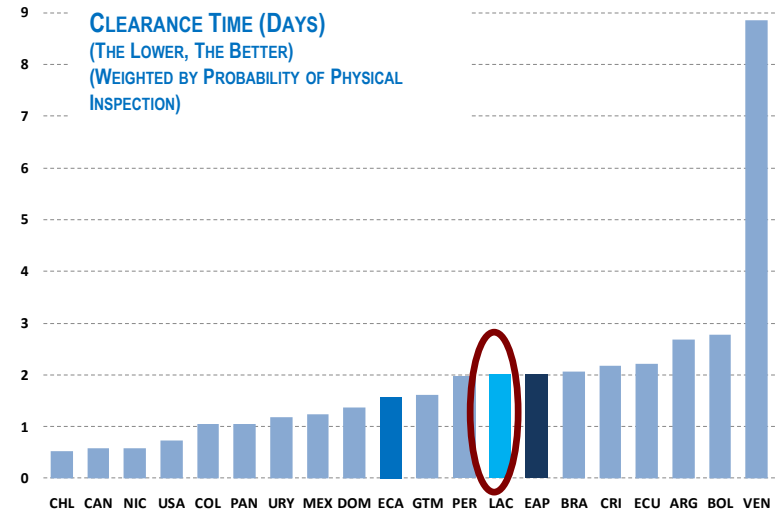
# Trade regulation simplification: Regional harmonization of NTBs



# Trade facilitation: Reduce costs of doing business across borders



PF based on data from WEF, Doing Business, WDI, Transparency International (2004-2007)



import

export

# SPS / TRADE FACILITATION

## Key activities include:

- **Digitalize documentary procedures:** issuance of export/import SPS certificate on-line/ single window.
- **Quarantine:** Upgrade national border quarantine services (including harmonization of laws and procedures, infra-structure)
- **Databases:** support creation of database for records of pests and diseases of plants and animals
- **Capacity building:** Foster human capacity on documentary procedures for pest surveillance, export/import certification, inspection
- **Clearance:** reduce physical inspections at the border in favor of a risk analysis management approach

# Activities on SPS 2010/2011

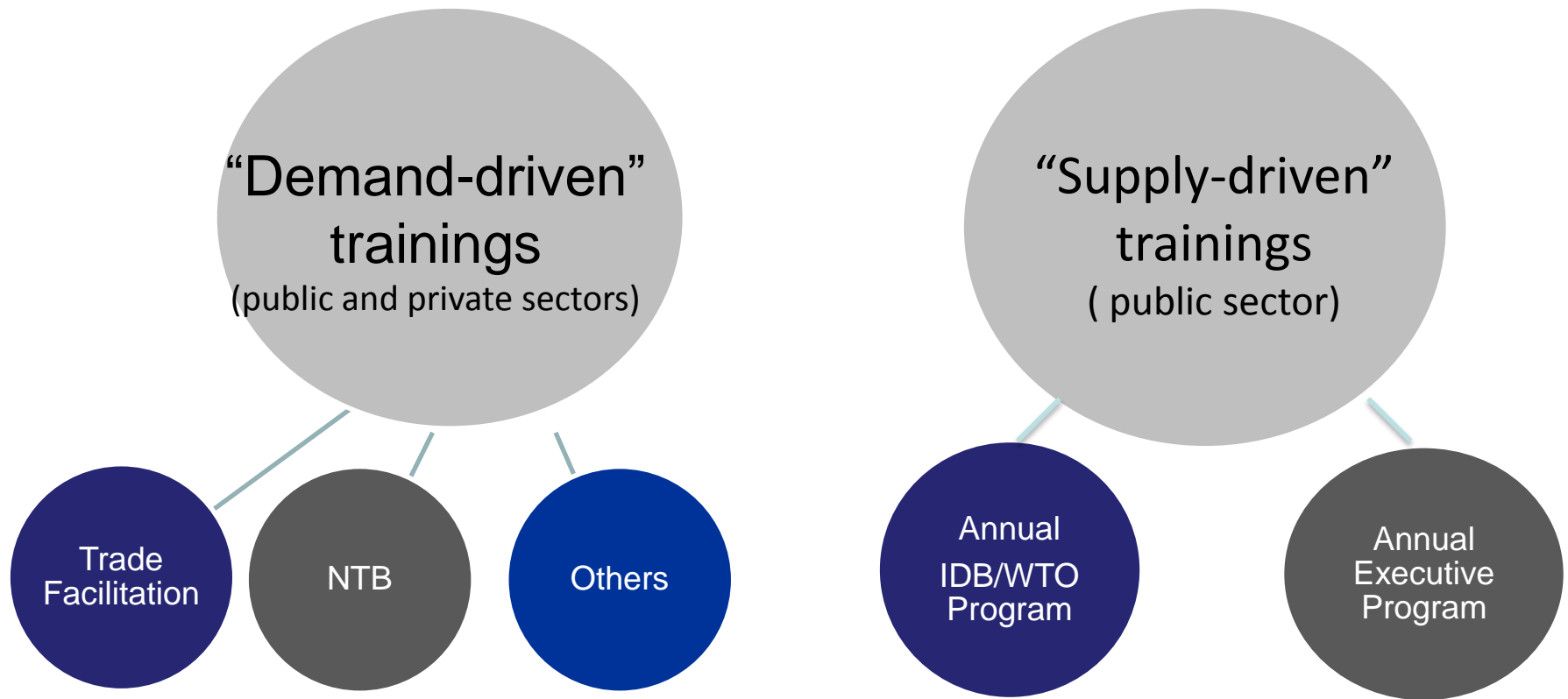
**I. Capacity Building**

**II. Analytical Studies and Export Guide**

**III. Loan and Grant**

**IV. Data base**

# I. Capacity Building Structure





## II. Research

OECD publishing

Please cite this paper as:

Fulponi, L., M. Shearer and J. Almeida (2011), "Regional Trade Agreements - Treatment of Agriculture", OECD Food, Agriculture and Fisheries Working Papers, No. 44, OECD Publishing, doi:10.1787/5kqg53fnnjxy-en



OECD Food, Agriculture and Fisheries  
Working Papers No. 44

Regional Trade Agreements  
- Treatment of Agriculture

Linda Fulponi, Matthew Shearer,  
Juliana Almeida

- i) **The Treatment of Agriculture in the RTAs in the Americas,**  
IDB, Oct 2009
- ii) **Regional Trade Agreements: Treatment of Agriculture,**  
OECD/ IDB May 2011
- iii) **SPS Import Requirements to Access the EU Market,** IDB,  
April 2010
- iv) **SPS Import Requirements to Access the Asian Market**  
IDB, August 2011



JEL Classification: F1, F13, Q10, Q27



## III. Loan/Grants with SPS component

Project.	Title	Beneficiary	Value US\$	Year
NI-L1016	Foreign Trade Support Program	Nicaragua	10,437,000	2010
BL-L1009	Agricultural Services Program	Belize	5,000,000	2009
JA-L1012	Agricultural Competitiveness Program	Jamaica	16,000,000	2010
RG-T1679	Harmonized System of Bovine Traceability	Central America	1,900,000	2009
DR-L1048	Animal and Plant Health and Food Safety	Dom. Republic	10,000,000	2011



OECD Food, Agriculture and Fisheries  
Working Papers No. 44

Regional Trade Agreements  
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## Goals of the study

- How countries are negotiating the commitments on agricultural trade liberalization?
- How these RTA commitments are impacting or can impact agricultural trade ?

## Previous Research (2009)

### LATIN AMERICAN AGREEMENTS

#### NAFTA

United States-Colombia

United States-Peru

Canada-Costa Rica

#### CAFTA

Chile-United States

Chile-Canada

Chile-Japan /

Chile-China

Chile-Korea

Chile-Mexico

Chile-Peru

Chile-EU

Chile-New Zealand-Singapore-

Brunei (P4)

Mercosur-Chile

Mercosur-Bolivia

Mexico-EU

Mexico-Bolivia

Mexico- Costa Rica

Mexico-Nicaragua

Mexico-Northern Triangle

Mexico-Uruguay

Mexico-Peru

Mexico-EFTA

Mexico-Japan

Mexico-Israel

Mexico-Colombia

Mercosur-Peru (ACE 58)

Mercosur-Andean Community  
(ACE 59)

Panama-Singapore

Peru-Thailand

Cent.Amer-DR

Cent.Amer-Chile

**TOTAL: 33**

## Current Research (2010)

### ASIAN AGREEMENTS

Australia - Thailand

Australia- United States

Australia-Chile

Australia-Singapore

New Zealand- China

New Zealand-Thailand

New Zealand-Singapore

Korea- Singapore

United States-Singapore

Japan-Thailand

China-Hong Kong, China

### AFRICAN AGREEMENTS

Egypt- Turkey

EFTA-Turkey

EC-Egypt

EC-South Africa

United States - Morocco

SADC

EAC

COMESA

ECOWAS

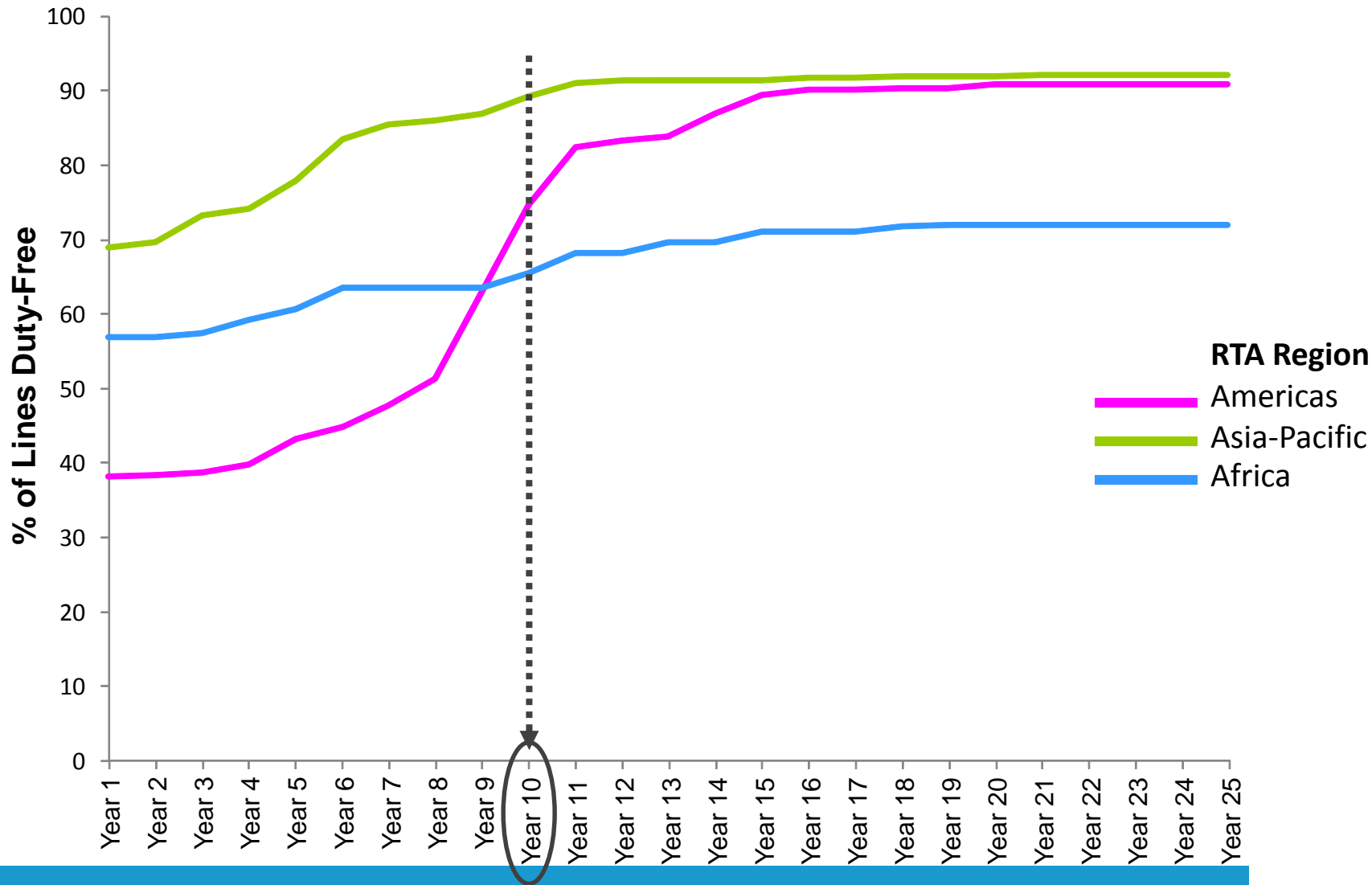
### OTHERS

EFTA-Chile

Canada-Peru

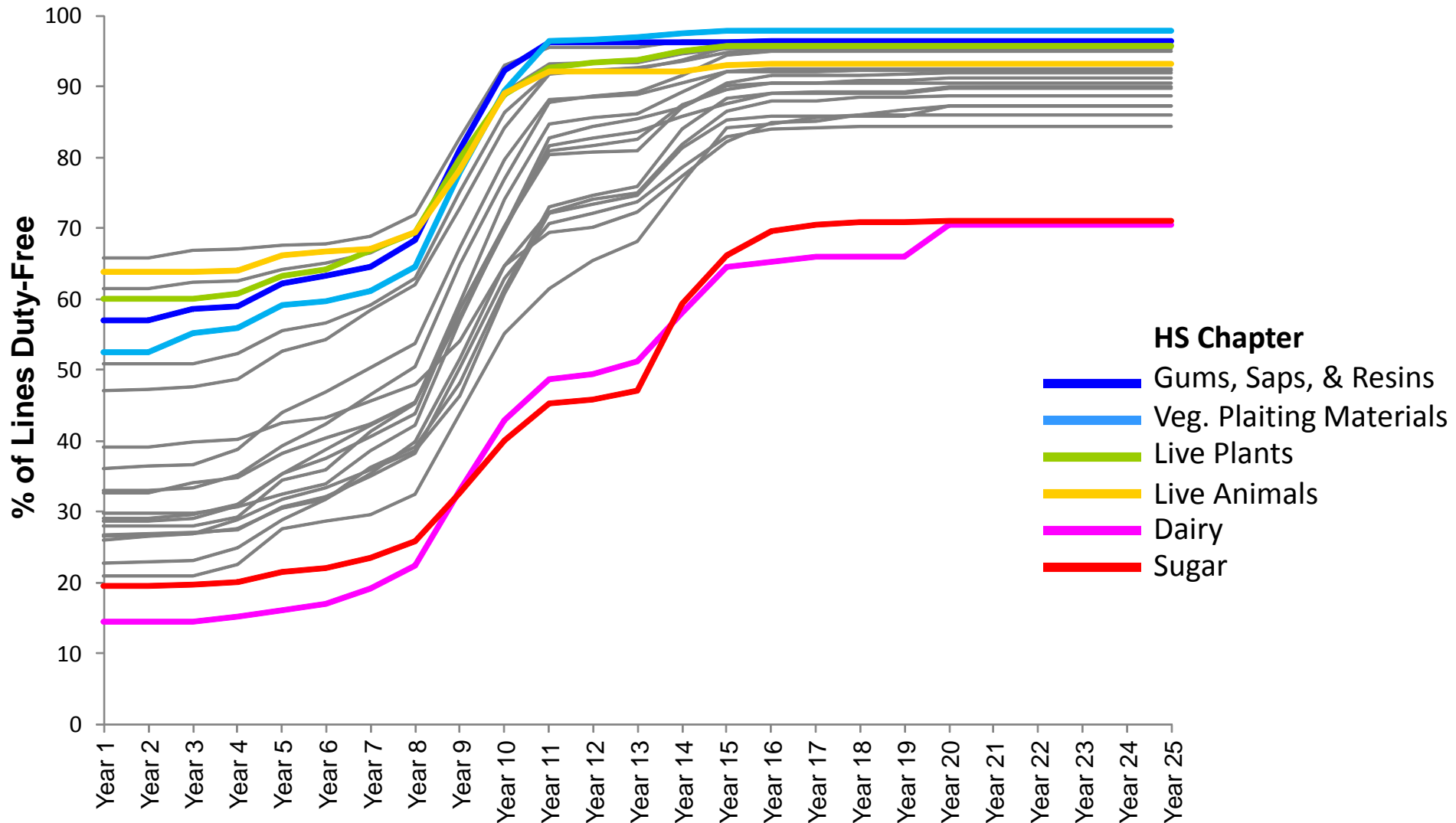
**TOTAL: 22**

# Tariff elimination of agriculture products, by Geographic RTA Groupings

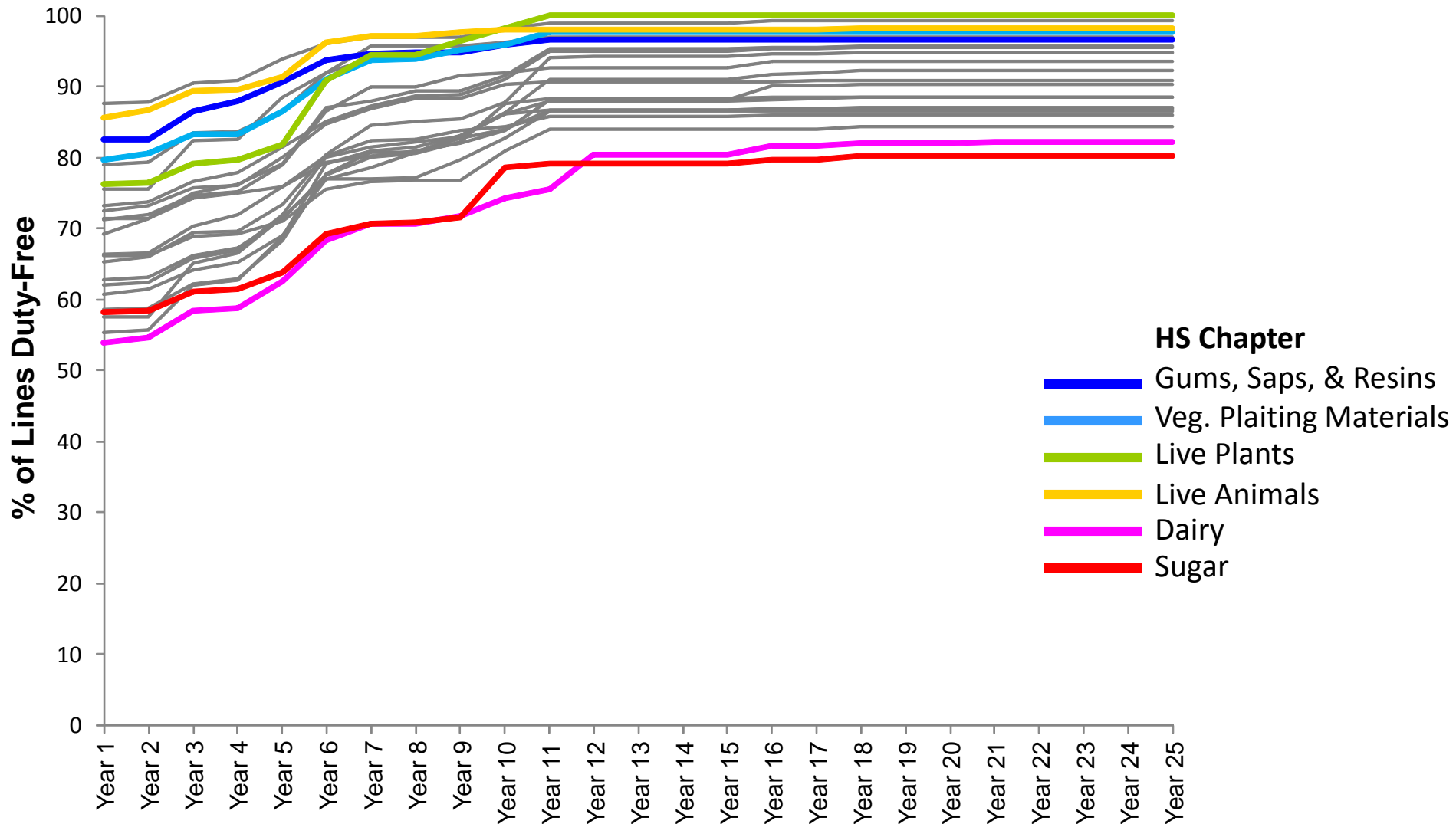


Note: RTA Regions are incomplete samples and thus not necessarily indicative.

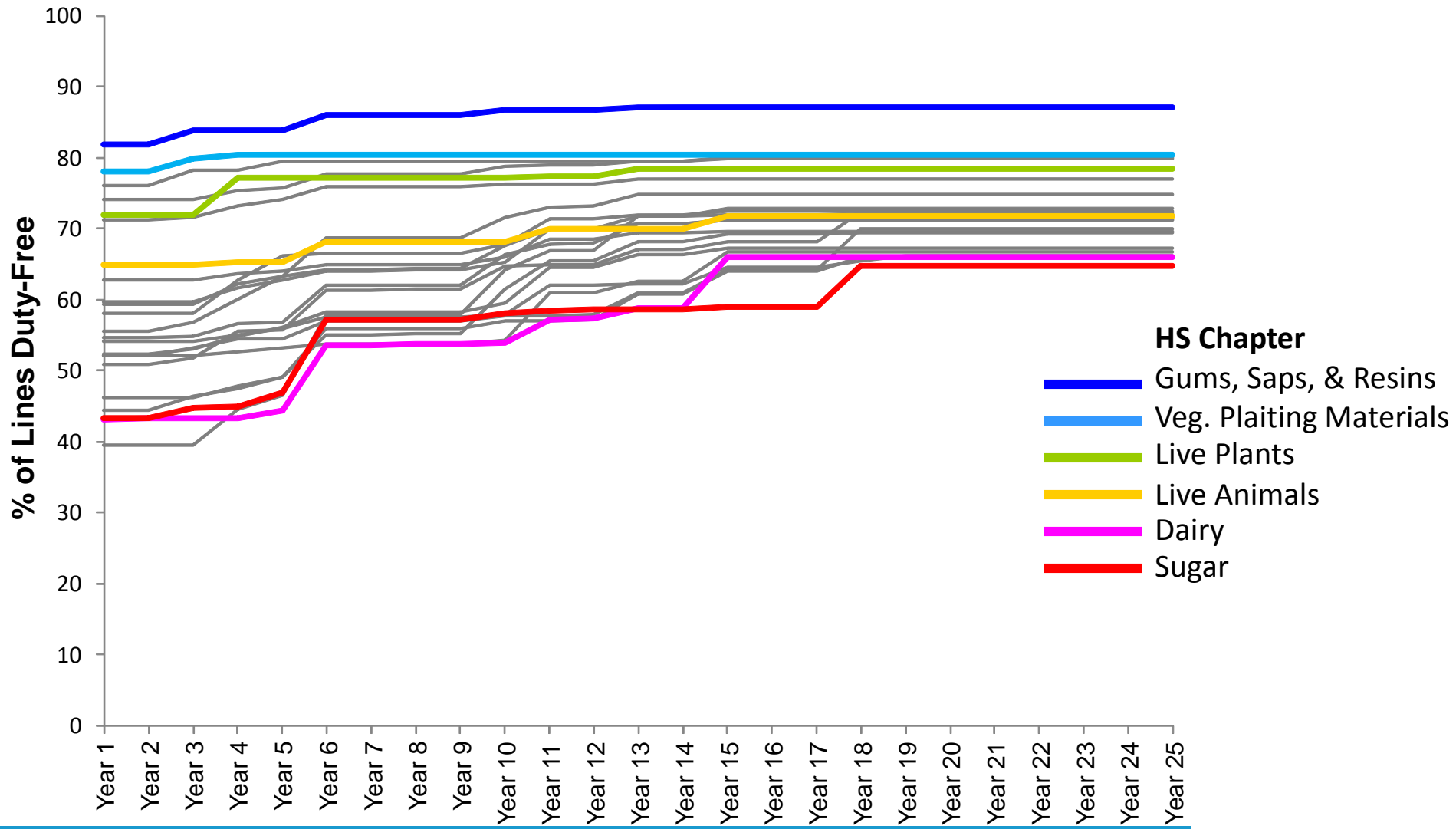
# Americas: Tariff elimination by HS Chapter



# Asia-Pacific: Tariff elimination by HS Chapter:



# Africa: Tariff elimination by HS Chapter



# KEY FINDINGS



## **Market Access:**

Tariff liberalization is the greatest measureable commitment



## **SPS/TBT provisions lack deep commitments**

These provisions do not expand much on language agreed at the multilateral level. The commitments that could impact the agriculture trade flow between the parties of the agreement are still generic and lack key information regarding their implementation.



## **Subsidies: the complete elimination is still a sensitive issue**

The majority of RTAs establish a deadline for the removal of export subsidies. However, none of the agreements in which a LA country partnered with the U.S. or an Asian country, set a specific deadline



## **Agricultural safeguard: common tool in the North-South relations**

Usual mechanism in the North-South RTAs to address the impact of the reduction/elimination of duties and tariffs agreed





# INTradeBID

The Integration and Trade Sector of the Inter-American Development Bank develops specialized databases, models and tools to monitor and assess the impact that integration and trade has on the Region. This portal provides public access to these data and tools.



## Tutorial

View all INTradeBID tutorials



## Map of Trade Agreements

Maps of Trade Agreements included in INTradeBID

### Market Access



Tariff Reduction,  
Rules of Origin, and  
Tariff Rate Quotas  
Sanitary and Phytosanitary  
Measures (SPS)



### Legal Framework



Complete Text of  
Agreements  
Indexed Texts  
Double Taxation  
Agreements



### Toolkits



Tools for Trade Negotiators  
Tools for Private Sector  
Using USA Tariff Quotas  
Digital Origin Certification



### Statistics and Indicators



#### Trade Statistics

MFN Tariffs  
Quarterly Data  
Transport costs

Indicators



## INTradeBID | Market Access

This section comprises the main trade variables related to the preferential access of goods, such as tariffs, rules of origin, sanitary measures, quotas, and other special regimes.

INTradeBID

Rules of Origin, Tariff Reduction, Quotas, and TPL

SPS

## Sanitary and Phytosanitary Measures (SPS)

SPS Home

SPS in Trade Agreements

Specific Trade Concerns

Rejected Exports

Private Standards

Requirements to Export

Publications



SPS in Trade Agreements



Specific Trade Concerns



Rejected Exports



Private Standards



Requirements to Export

## Search Rejected Exports

Select country of origin

Select country of destination

Select product

**Search**

### Result/Rejected Exports

Destination	Origin	Date	Company	Product	Code	Subject	Explanation	Doc
United States *	Peru	11-10	ANDINO'S FOOD SAC	FROZEN PEPPER	PESTICIDES	Pesticides	The article is subject to refusal of admission pursuant to section 801(a)(3) in that it contains a pesticide chemical in violation of section 402(a)(2)(B).	
United States *	Peru	11-10	ANDINO'S FOOD SAC	FROZEN PEPPER	PESTICIDES	Pesticides	The article is subject to refusal of admission pursuant to section 801(a)(3) in that it contains a pesticide chemical in violation of section 402(a)(2)(B).	
United States *	Peru	11-10	Labratorio Betogal E.I.R.L.	DRAGONS BLOOD	LABELING, LIST INGRE, DIETARY/LBL, NUTRIT LBL	Labeling	The article appears in violation of FPLA because of its placement, form and/or contents statement.; It appears the food is fabricated from two or more ingredients and the label does not list the common or usual name of each ingredient.; The label/labeling of the dietary supplement fails to identify the product by using the term "dietary supplement".; The article appears to be misbranded in that the label or labeling fails to bear the required nutrition information.	
United States *	Peru	11-10	Labratorio Betogal E.I.R.L.	CORN FLOUR	UNAPPROVED, DIETARY/LBL, LIST INGRE, NO ENGLISH, NUTRIT LBL	Missing document or information, Labeling	The article appears to be a new drug without an approved new drug application.; The label/labeling of the dietary supplement fails to identify the product by using the term "dietary supplement".; It appears the food is fabricated from two or more ingredients and the label does not list the common or usual name of each ingredient.; Required label or labeling appears to not be in English in violation of 21 C.F.R. 201.15(c)(1).; The article appears to be misbranded in that the label or labeling fails to bear the required nutrition information.	
United States *	Peru	11-10	Grupo Hnos Toch S.A.C.	DRIED ANCHO CHILI	LACKS FIRM, LACKS N/C, USUAL NAME, FILTHY	Labeling, Filthy	The article appears to not bear a label containing the name and place of business of the manufacturer, packer, or distributor.; The article appears to not have a label containing an accurate statement of the quantity of the contents in terms of weight, measure or numerical count ; It appears that the label does not bear the common or usual name of the food.; The article appears to consist of a filthy, putrid, or decomposed substance or be otherwise unfit for food.	



# INFORMATION COUNTRIES CAN OBTAIN:

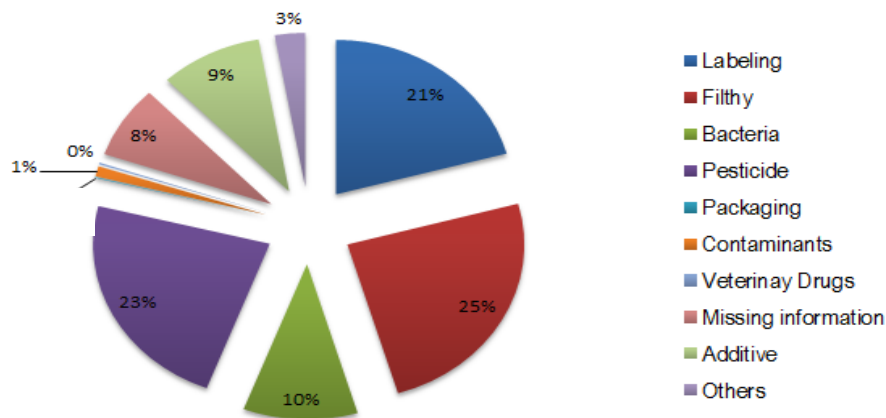
-STANDARDS (SPS/TBT) RELATED PROBLEMS TO EXPORT AGRICULTURAL PRODUCTS TO US AND EU

> Main problems

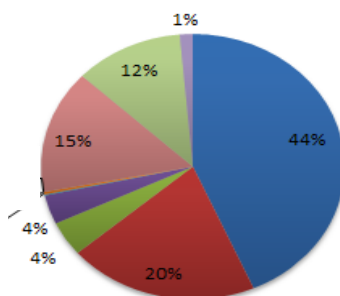
> Main products and sectors affected

# Share of Import Refusals at US border by problem, 2002-2010

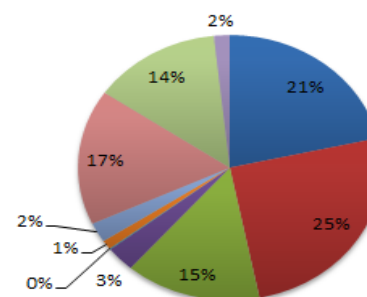
## Latin America & Caribbean



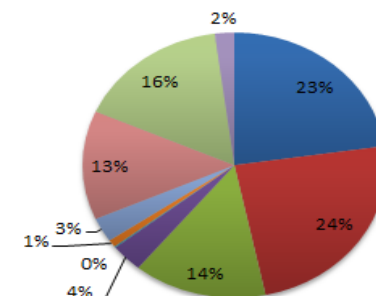
## Africa



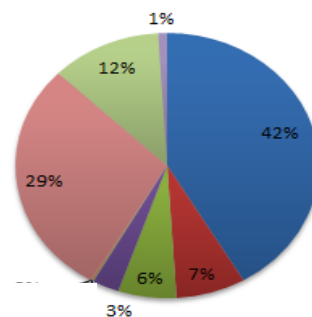
## Asia



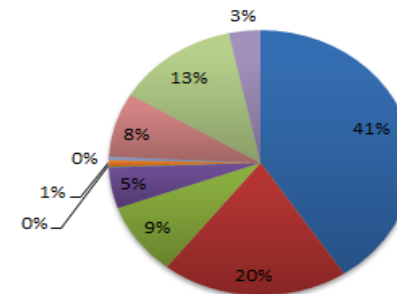
## Australia & Pacific



## Europe

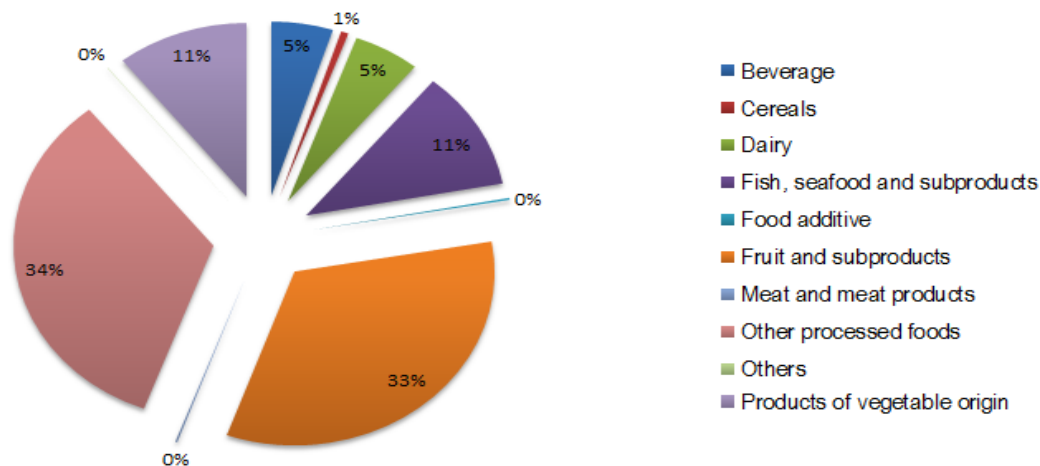


## North America

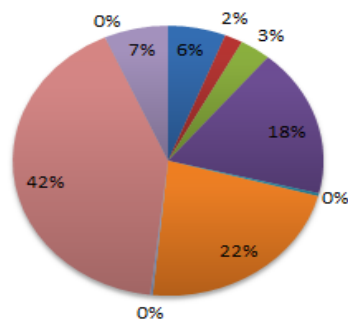


# Share of Import Refusals at US border by product, 2002 - 2010

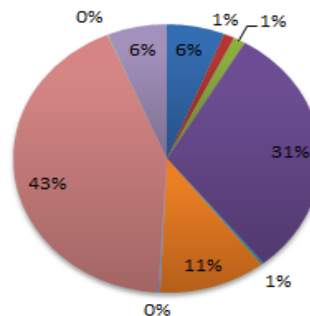
## Latin America & Caribbean



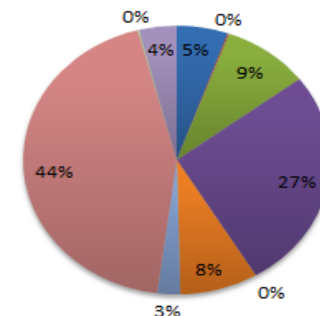
## Africa



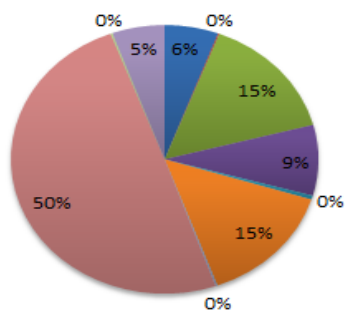
## Asia



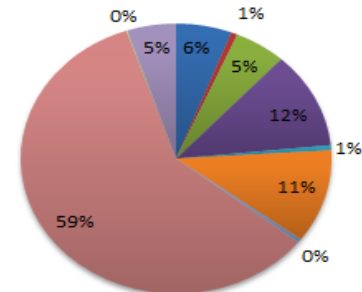
## Australia and Pacific



## Europe

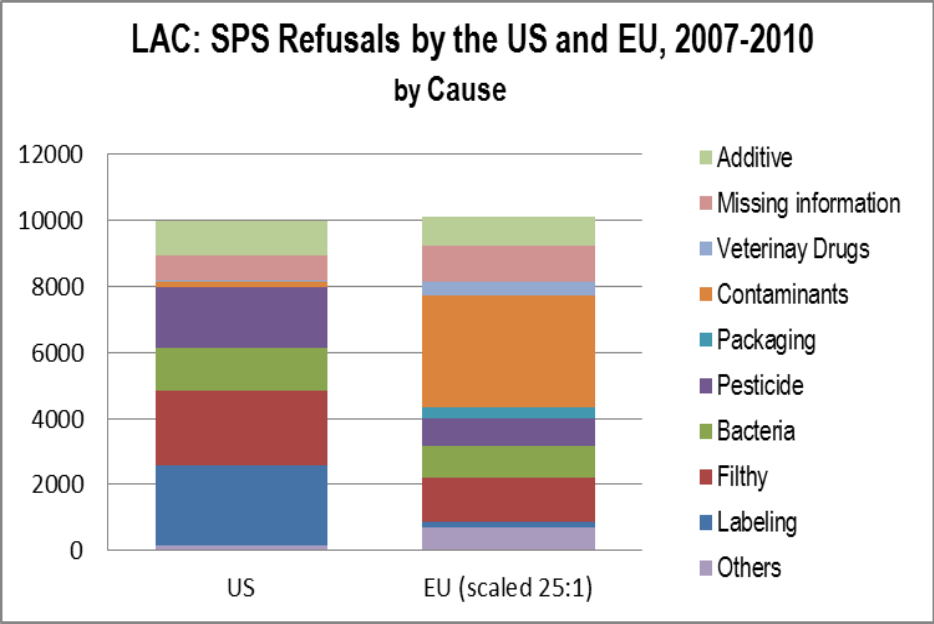
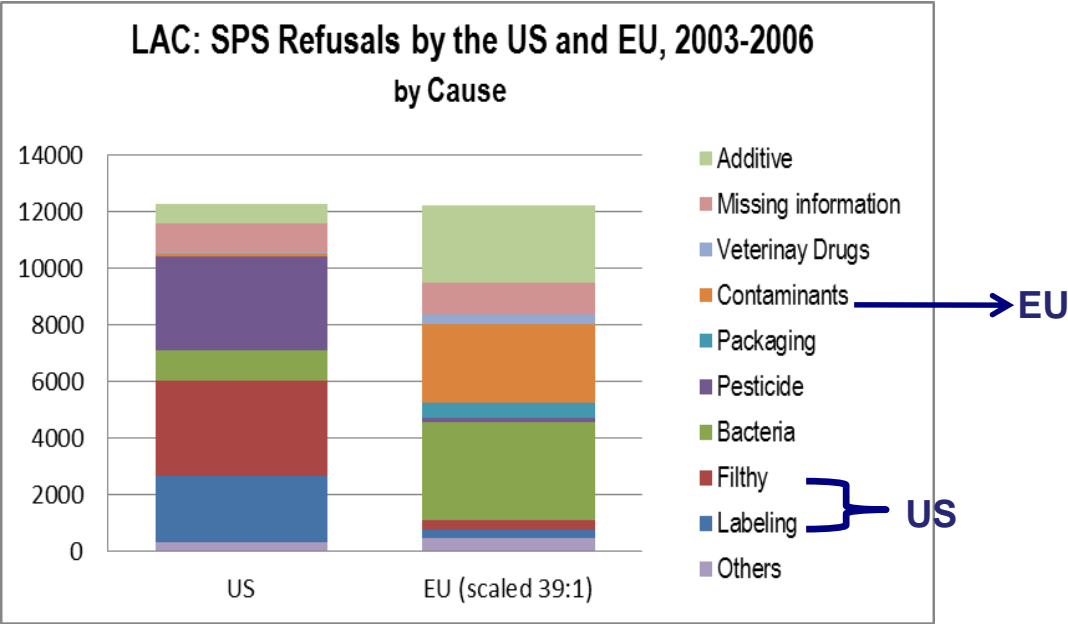


## North America



# **Standards related challenges faced by agricultural exports from LAC Countries**

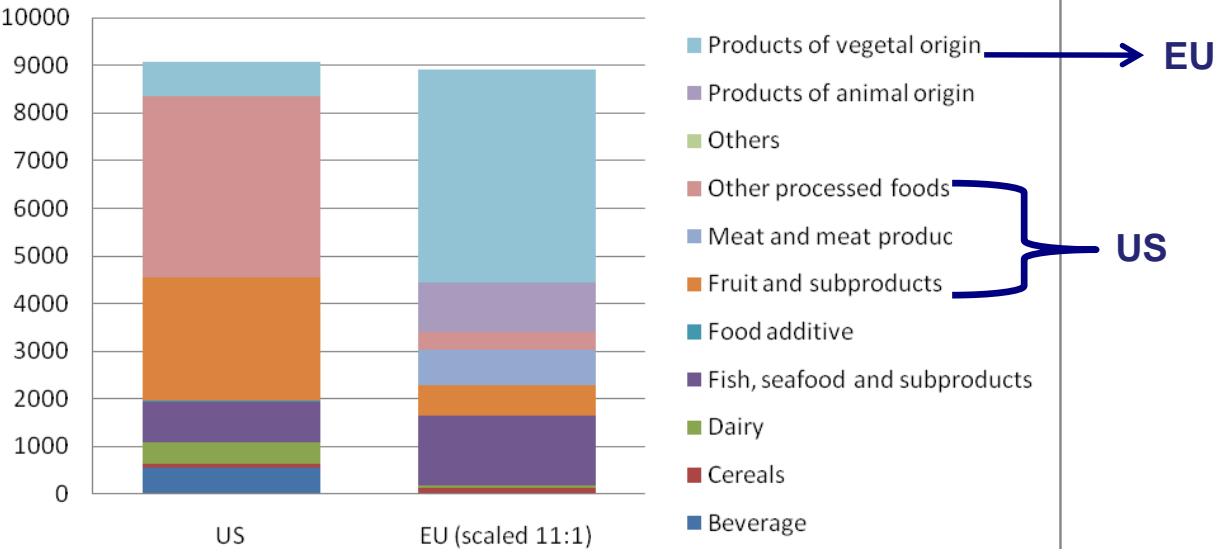
# Comparison US/ EU



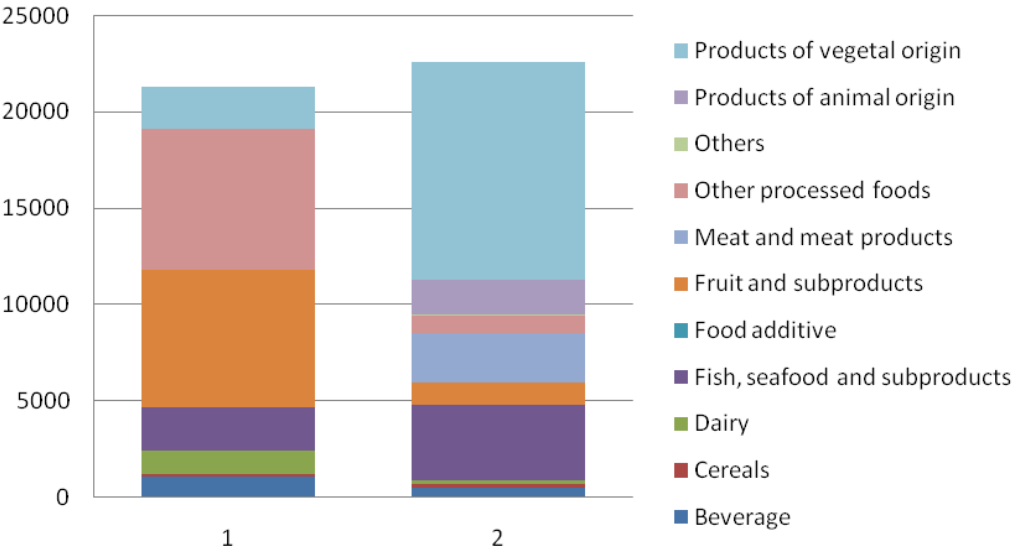


# Comparison US/ EU

LAC: SPS Refusals 2007-2010, by Product



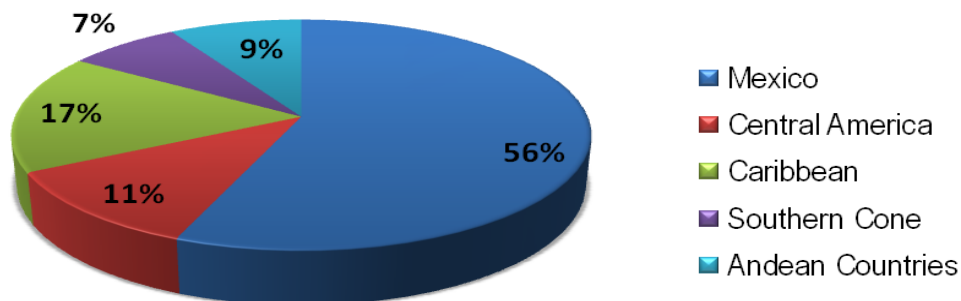
LAC: SPS Refusals 2003-2010, by Product



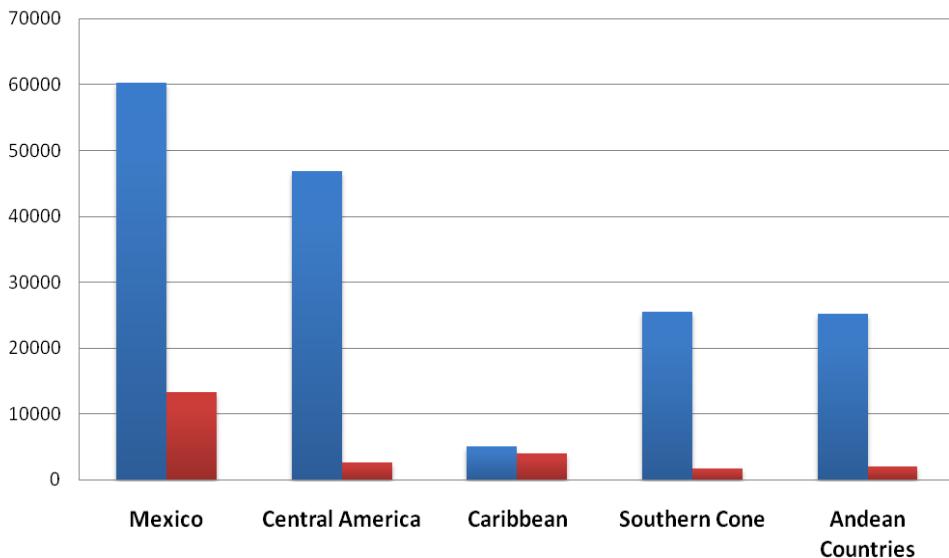
# **Standards related challenges faced by the Caribbean Countries**

# Share of refusals of agricultural products from LAC at US borders, 2002-2010

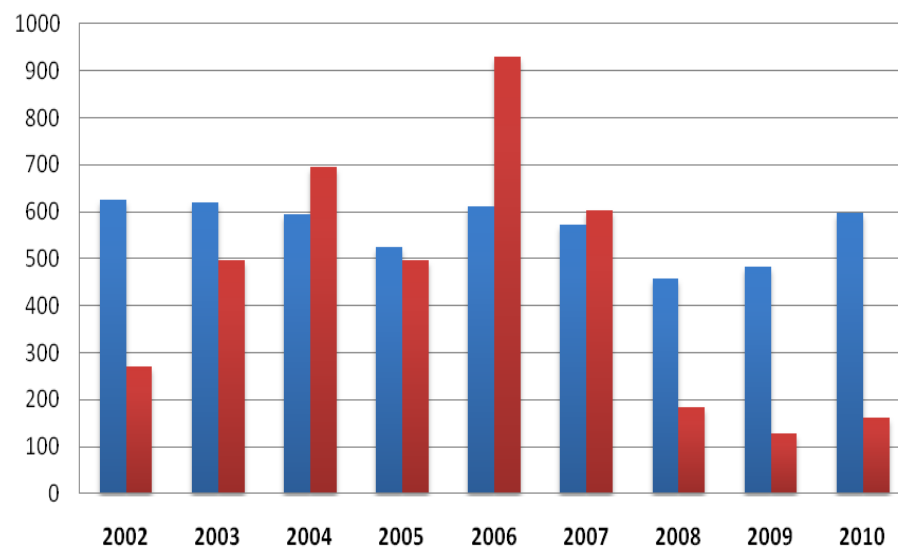
## Latin American & Caribbean Refusals



## Quantity Imported v. Refusals



## Caribbean

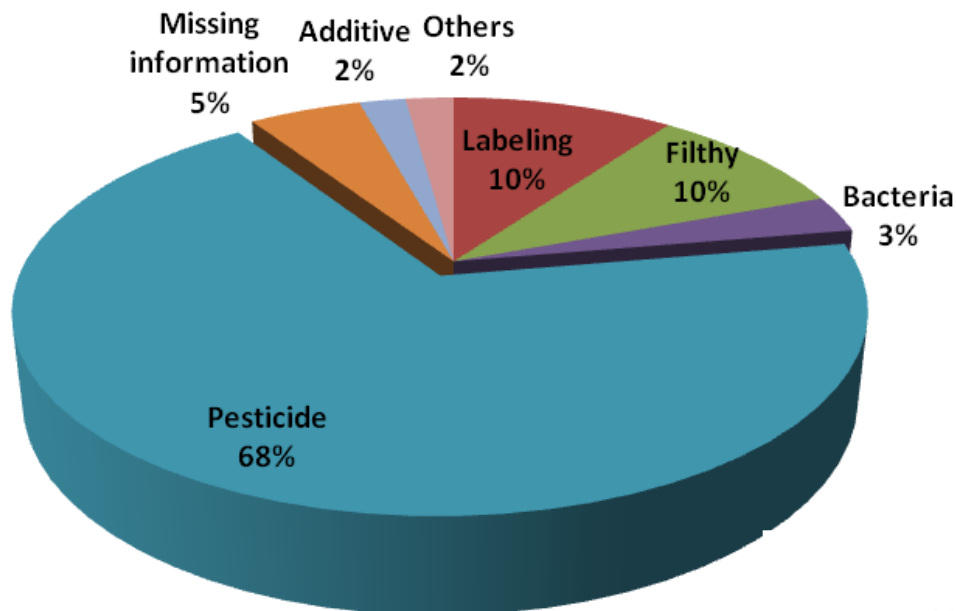


■ Quantity Imported (in thousands)

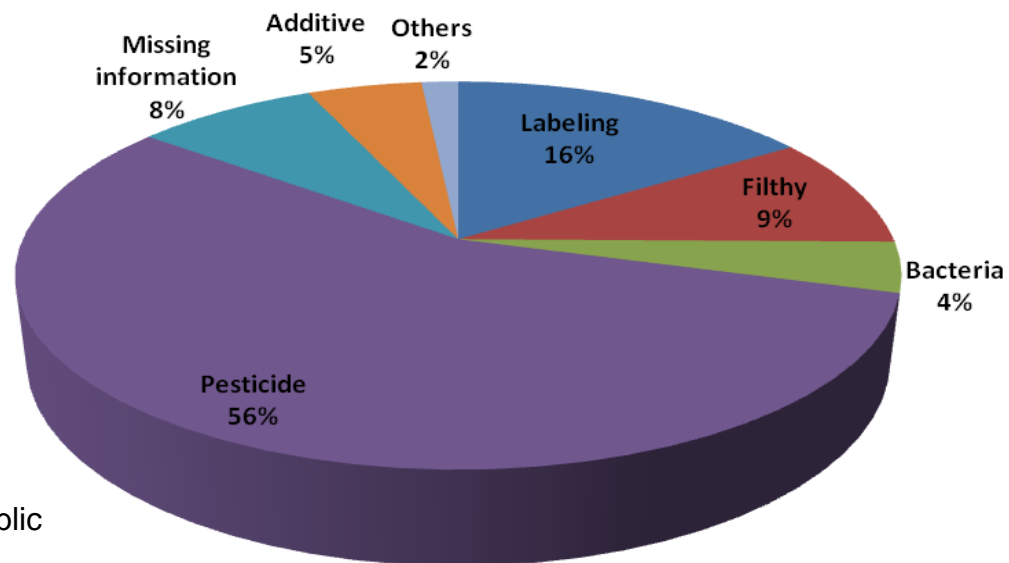
■ Refusal Occurrences

# Problems found in the Caribbean agri-products at US border

**2002-2006**



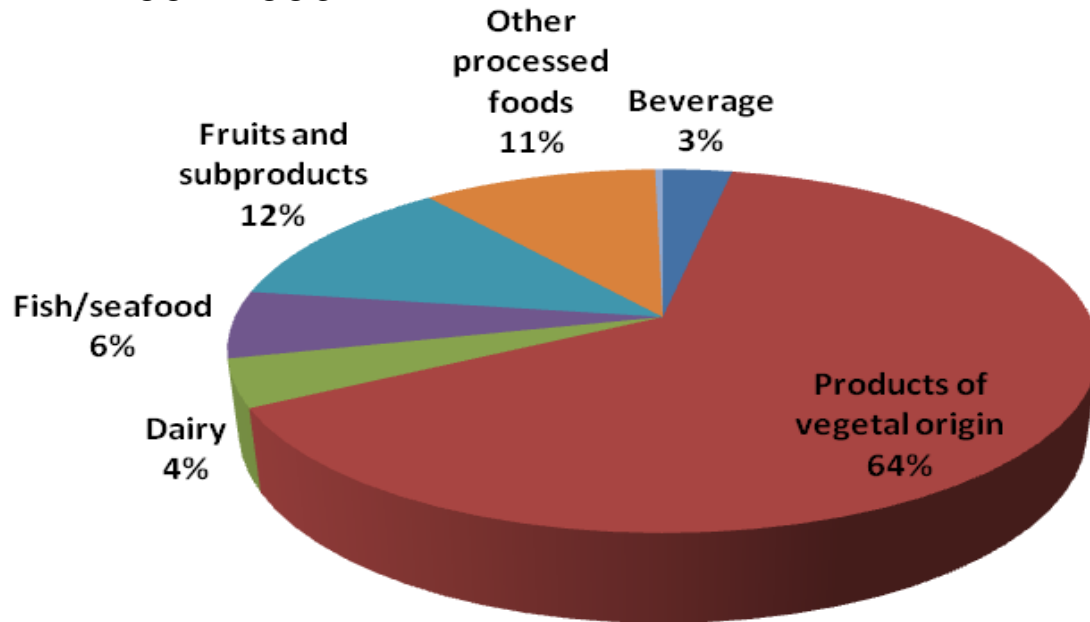
**2007-2010**



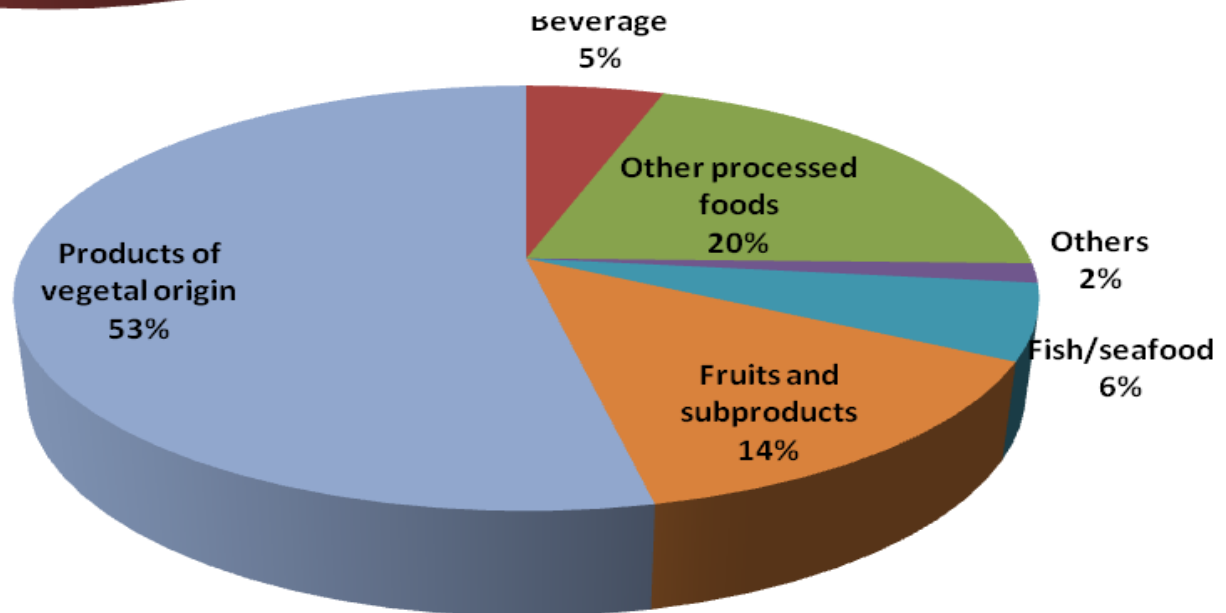
Note: Includes CARICOM Members+ Cuba+ Dominican Republic

# Products refused at US Border

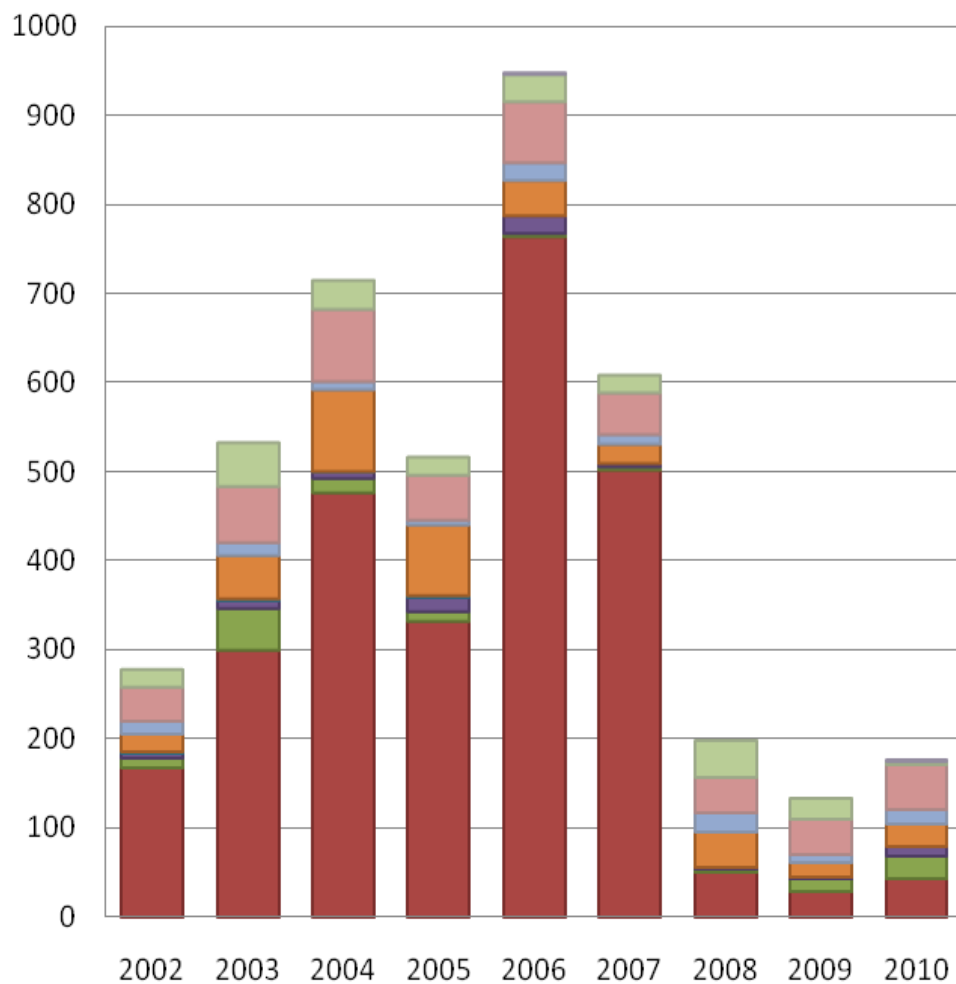
**2002-2006**



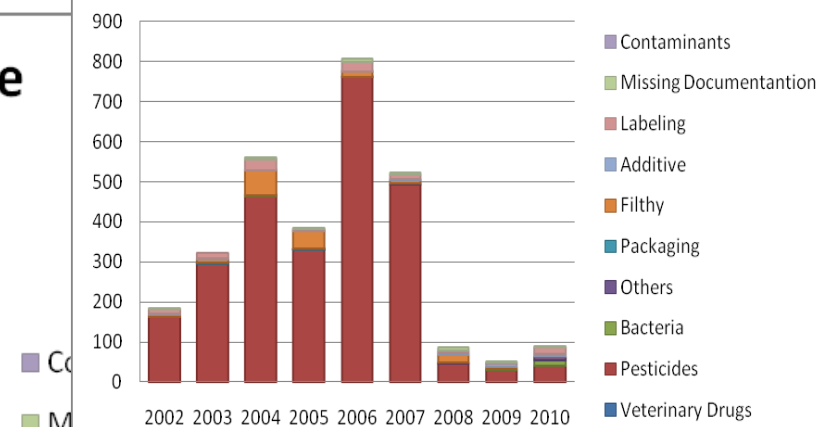
**2007-2010**



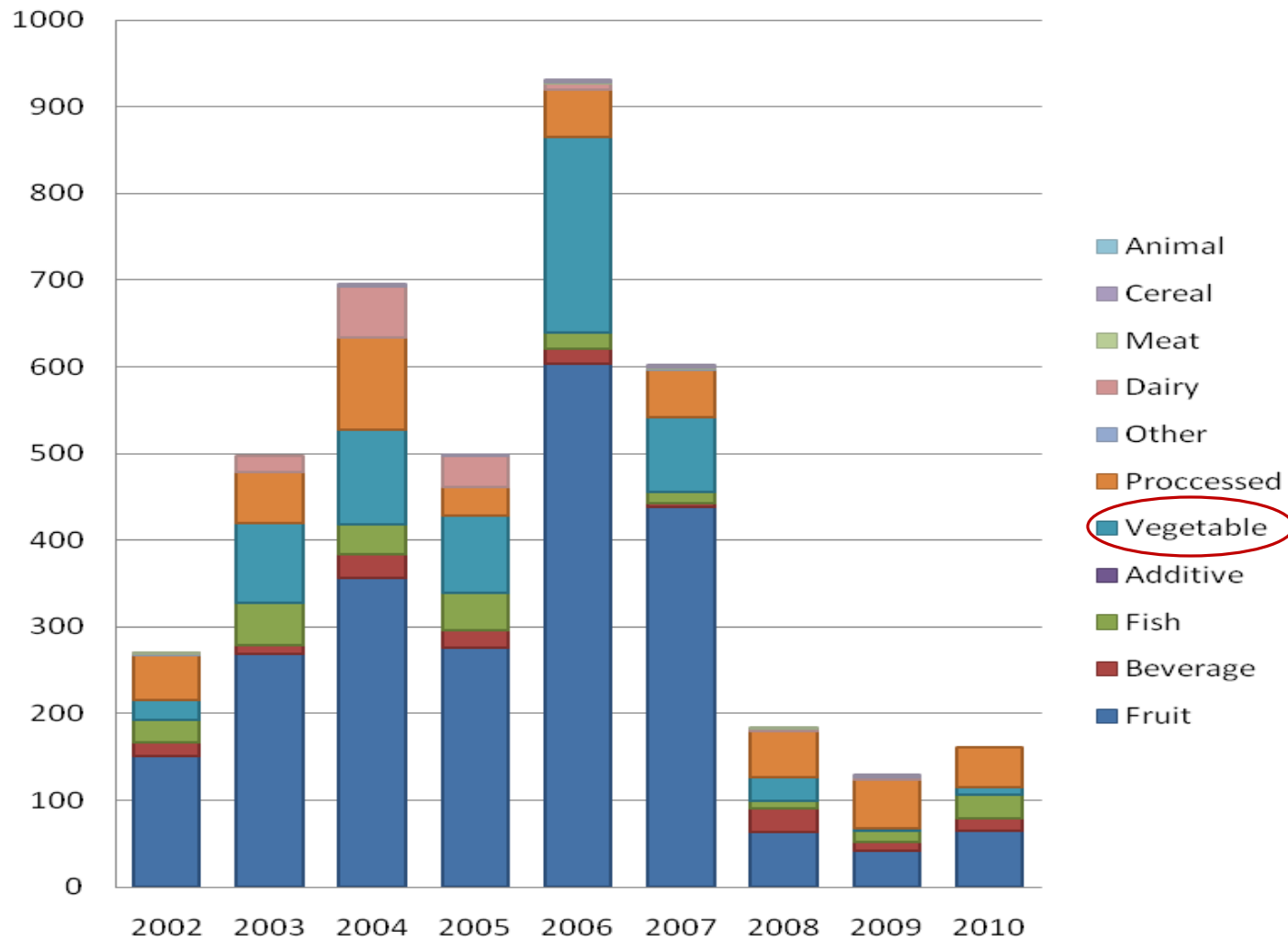
## Caribbean Refusals By Cause



## Dominican Republic, by Cause



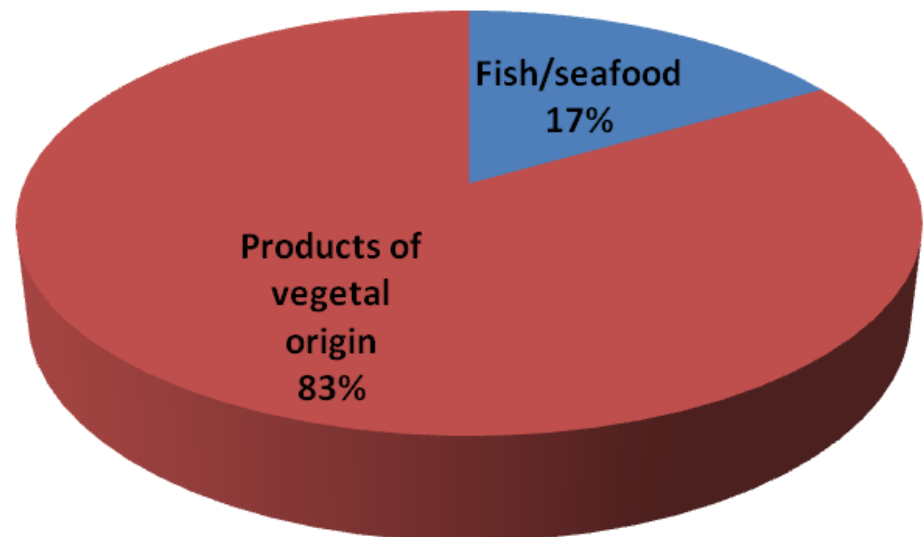
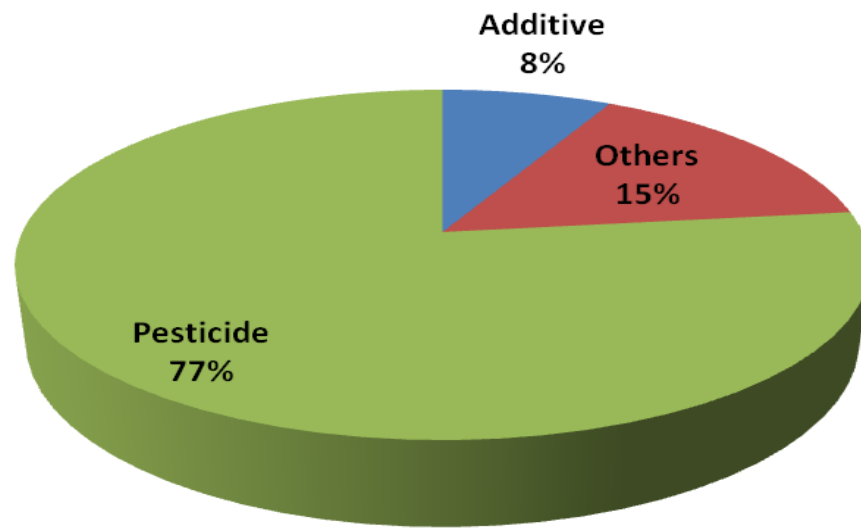
## Caribbean Refusals By Product



# STANDARDS RELATED PROBLEMS TO EXPORT AGRICULTURAL PRODUCTS TO EU



# Problems found in the Caribbean agri-products at EU border and products refused,2002-2010



# Preliminary Conclusions

## Standards related challenges to export to US

- The quantity of agricultural products export to US have been relatively stable
- Overall, pesticide is still the major problem, although the challenges related to processed food are increasing (labeling, filthy, additive, no information of the process of canned food).
- Challenges and most affected products vary depending on the country

## Standards related challenges to export to EU

- Exports have been very limited in terms of exporting country, quantity, variety of products
- Refusals has been notified just for DR and Cuban agricultural products
- The low number of refusals is associated with the low quantity exported



DR: pesticide/ green peppers, eggplant

Jamaica: pesticide/yams

Belize: missing info on process/ pepper sauce



DR: 98% pesticide/ chilli peppers

Cuba: frozen lobster/inadequate control of temperature

# Thank you!

## INTradeBID

Available at

<http://www.iadb.org/int>

