



Food and Agriculture
Organization of the
United Nations

Phytosanitary measures and agricultural trade: The role of capacity development

*Ekaterina Krivonos,
Trade and Markets Division, FAO
FAO, Rome
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Agricultural trade and phytosanitary controls: What are the links?

- By connecting supply and demand across borders, trade plays an important role in ensuring food security for all
- Agricultural trade implies certain phytosanitary risks as pests can enter with shipments
- Phytosanitary controls will be even more important for keeping in check transboundary pests in the context of climate change
- The use of international standards for phytosanitary measures contributes to reducing plant health risks, and helps minimize trade costs by making trade more transparent and efficient, allowing goods to move more smoothly between markets.
- The WTO and the international standard-setting bodies provide a set of rules for multilateral trade including those that govern the application of sanitary and phytosanitary measures (SPS).

The importance of international standards for trade

- The SPS agreement encourages members to harmonize sanitary and phytosanitary measures, basing them on international standards, guidelines or recommendations (Article 3).
- By reducing the need for governments and producers to follow different standards and procedures in different markets, harmonization becomes a powerful tool to make trade less costly and more inclusive.
- At the same time, the countries can impose more rigorous standards as long as these are based on sound scientific evidence from risk assessments (Article 5).

Pest risk analysis based on IPPC standards

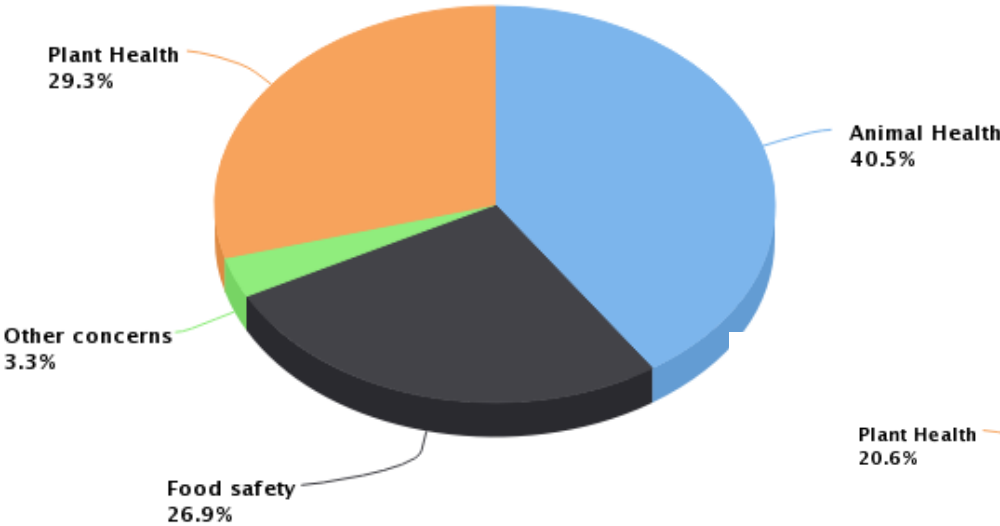
International standards for phytosanitary measures (ISPMs) on pest risk analysis (PRA) are important tools for ensuring appropriate application of international trade rules

Application of phytosanitary measures can become a matter of trade disagreements between importers and exporters...

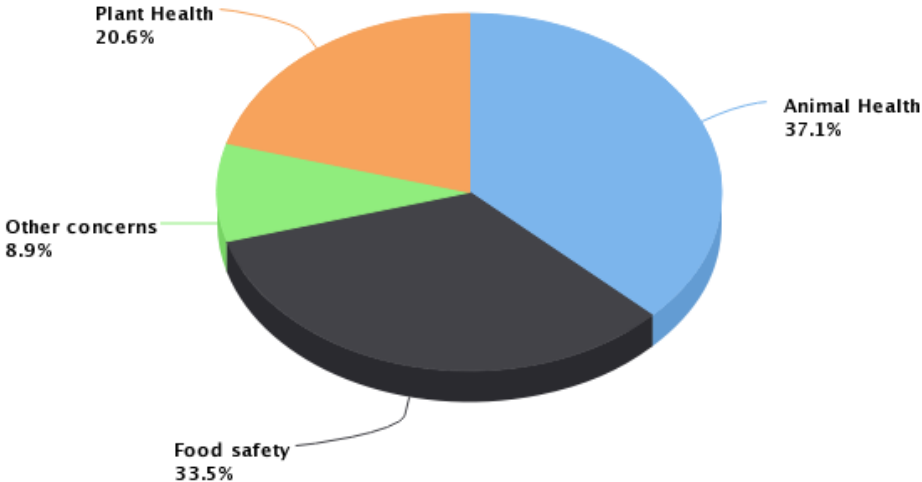
- Enforcement of the SPS Agreement can be difficult in cases where there are questions about the scientific basis for the application of the measures.
- These disagreements have a cost in terms of lost markets, incomes and food security.

Trade concerns raised in the SPS Committee by subject

1997-2006



2007-2016



Source: WTO SPS Committee

Examples of SPS measures with high economic impact

- Russia
 - Imports of fruits from Moldova were stopped in 2014 (oriental fruit moth), severely affecting exports and agricultural sector incomes (farmers, processors and exporters) in Moldova
 - Moldova's government provided support to the sector, depleting the funds of the Payments and Interventions Agency
- Egypt – the largest wheat importer in the world – introduced a number of phytosanitary measures:
 - 2016: Zero tolerance for ambrosia
 - 2016: Zero tolerance for ergot
 - 2017: Zero tolerance for poppy seeds

“Traders are watching closely, and have said that any rejection could lead them to boycott the state's massive tenders, protesting what they describe as excessive inspection measures that have made doing business increasingly risky.” (Reuters)

FAO work in support of effective application of trade rules

SUPPORT TO BETTER UNDERSTANDING OF THE RULES

Capacity development and dialogue on:

- Agriculture in trade agreements
- WTO accession issues in agriculture

SUPPORT TO APPROPRIATE IMPLEMENTATION OF THE RULES

Capacity development and dialogue on:

- Transparency
- Trade Facilitation Agreement
- Resolving contentious trade issues

An important element of this work is empowerment of the expert community and inter-governmental dialogue (regional focus on Europe/Central Asia and Eastern Africa)

Resolving contentious trade issues

- Case-study driven seminars, building on the experience of countries, designed to illustrate the existing tools and best practices in pursuing trade objectives in bilateral and multilateral settings.
- Exercises aimed at equipping the participants with knowledge based on hands-on application of different trade rules.



Workshop: Resolving agricultural trade issues through the WTO

07 Jun 2017 -
Kiev, Ukraine

The goal of the workshop is to provide information about various tools of trade issues settlement in agri-food trade. The workshop aims to raise awareness of its participants on various mechanisms, rules and procedures for mediation and settlement of trade disputes and to provide practical recommendations on identifying particular measures [...]

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Welcome to the joint FAO-UNITAR online course on "Ensuring Agricultural Trade Policy Transparency in the post-Soviet countries"

Course Title: Ensuring Agricultural Trade Policy Transparency in the post-Soviet countries
Course Dates: September 19 to October 14, 2016
Language: The online course will be delivered in Russian language only
Registration Status: CLOSED

Event objectives
This course aims to strengthen knowledge of up to 70 participants and equip them with better understanding of the international instruments, rules, procedures for ensuring agricultural and trade policy transparency in post-Soviet countries.

4 - 29 April 2016
Registration is open

Resolving Agricultural Trade Issues through International and Regional Trade-related Agreements in the CIS Region, 4 – 29 April 2016

This is a rerun of the first course that concluded in June 2015 and for which the demand exceeded the number of available places.

Course objectives
This course aims to equip participants with a better understanding of the rules and procedures to address and resolve trade issues for agri-food products under the various trade and trade-related agreements. It seeks to raise awareness of the different binding and non-binding mediation and dispute settlement tools and practical guidelines to identify options and design the necessary actions to ensure proper application of the trade rules affecting imports and exports of agricultural and food products.

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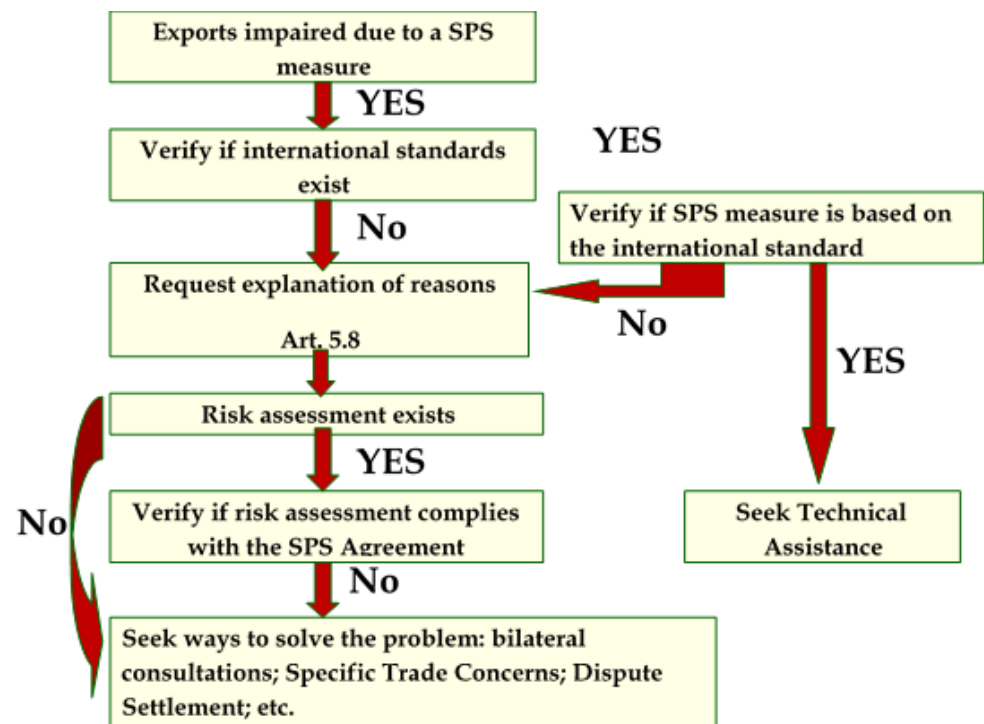
Specifically on resolving contentious SPS issues...

Emphasis on:

Multiple ways trade issues could be resolved before turning to litigation (through Dispute Settlement in the WTO):

- Enhancing understanding and improving application of the various procedures and mechanisms for mediation.
- Practical recommendations on how to organize the work within national governments in coordination with the private sector, and how to approach trading partners to overcome any difficulties arising in trade.

Steps to take when an exporting country is experiencing a trade concern related to an SPS measure



Conclusions

- Factors, such as climate change, water quality and availability, production and handling practices, national capacities for phytosanitary control and trade-related regulation, can either drive or mitigate the emergence and global dissemination of plant health hazards.
- Strong national institutions and capacities are needed to respond to these challenges, ensuring healthy agri-food systems and avoiding unjustified trade barriers.
- Active engagement and open dialogue between trading partners is required to resolve trade frictions that inevitably arise.
- Adherence to international standards and norms would reduce the incidence of trade disruptions.
 - For example, phytosanitary measures should be implemented on the basis of a pest risk analysis (PRA)

In-house collaboration to strengthen the countries' abilities to benefit from agricultural trade while safeguarding plant health

- Joint workshops and seminars on trade rules and international standards for phytosanitary measures.
- Supporting coordination between all relevant agencies within government as well as with stakeholders from the entire food supply chain.
- Encourage the participation of countries in shaping international standards and trade rules, and to take advantage of the tools provided by the multilateral trading system and the standard-setting bodies.



Trade

Increased trade in agricultural, fishery and forestry products is an essential component of most countries' development strategies. Global and regional agreements that shape trade policies need to recognize the diverse situations and needs of countries at different levels of development.

Countries need the flexibility to address food security, poverty reduction and sustainability issues as they open their markets to trade.



Latest



The State of Agricultural Commodity Markets 2015-16

FAO's role in trade

The relationship between trade and food security has been a topic of long-standing debate.

FAO supports countries' effective engagement in the formulation of trade agreements that are conducive to improved food security by strengthening evidence on the implications of changes in trade policies, providing capacity development in the use of this evidence, and facilitating neutral dialogue away from the negotiating table.

Key facts

- Low and middle income countries account for approximately one third of global trade in food and agricultural products
- 164 countries are currently WTO members, of these 36 are least-developed
- Between 2000 and 2013

Thank you!