

ENSURING SYNERGIES BETWEEN FOOD SAFETY AND TRADE FACILITATION

KEY MESSAGES

Effective food safety systems and trade facilitation need not be in contradiction to each other. A number of approaches can simultaneously enhance food safety controls and allow safe trade to flow more smoothly.

Science-based food safety measures and international standards play a key role in this regard, as do simplified procedures, transparency, border agency cooperation, and electronic certification.

The international framework of WTO agreements, including the SPS and Trade Facilitation Agreements, as well as Codex food safety standards, supports governments through trade rules and science-based standards. It requires engagement and investment at the national level to stay relevant.

Capacity building and assistance programmes linked to the relatively recent entry into force of the Trade Facilitation Agreement can be leveraged to build regulatory and administrative capacity to improve food safety controls at the border and establish a more comprehensive risk management framework.



INTRODUCTION

Governments and food operators are responsible for the safety of all food products available to consumers, and this requires appropriate food inspection and control systems. Measures taken to ensure food safety, including product requirements, processes, as well as control, inspection and approval procedures, are normally applied to domestically produced as well as imported food, and can thus affect international trade. Compliance with such measures, and the procedures in place to check compliance, inevitably results in costs. For smaller producers and exporters, especially in developing countries, these costs can be prohibitive, limiting their ability to benefit from trade opportunities. The challenge is thus to ensure that effective food safety measures and controls are in place to protect public health, while avoiding that they result in unnecessary costs and restrictions on trade. Food safety measures should be “fit for purpose”.

This session will provide an overview of the different areas in which synergies between food safety and trade facilitation are possible. The way in which food safety measures are designed and enforced is key in this respect. Using international Codex standards as the basis for domestic food safety measures wherever possible avoids the costs that arise when exporters have to comply with various sets of food safety measures for different importing countries. Science and risk-based approaches help ensure that food safety measures effectively address health concerns, and that limited resources available for inspections and controls are used efficiently and effectively. Simplifying and streamlining food safety procedures is another such area

where synergies are possible, as well as increasing transparency, so that producers and traders can easily find information on the relevant food safety measures and procedures. At the borders, practical initiatives, such as cooperation among border agencies, for example to carry out joint inspections or harmonize information requirements, can reduce delays and cut costs without compromising food safety. Electronic certification can be another way to help trade flow more smoothly while ensuring the authenticity of sanitary certificates.

Through WTO trade agreements and food safety standards adopted by the FAO/WHO Codex Alimentarius Commission, members have formed a framework of rules and guidance to help them achieve the twin objectives of ensuring food safety and facilitating safe trade. The SPS Agreement requires food safety measures (and other sanitary and phytosanitary measures) to be science-based, and strongly encourages the use of Codex standards as the basis for domestic regulations. Its provisions aim to ensure that food safety measures do not restrict trade more than is necessary to protect public health, and that their enforcement does not cause undue delays or pointless administrative burdens. The recent Trade Facilitation Agreement adds additional disciplines to cut red tape and reduce administrative burdens at the border. The Standards and Trade Development Facility (STDF), founded by FAO, WHO and WTO with the OIE and World Bank, identifies good practice and coordinates technical cooperation to help developing countries comply with international SPS standards. This note is based on STDF work on facilitating safe trade and electronic SPS certification.¹

SYNERGIES BETWEEN FOOD SAFETY AND TRADE

1. SCIENCE-BASED FOOD SAFETY MEASURES AND INTERNATIONAL STANDARDS

How does one ensure that food safety measures are effective in protecting the health of consumers? And how to ensure they do not become overly burdensome for producers and exporters, making it difficult for smaller companies to

comply? The answer lies in ensuring that such measures have a scientific basis, and that they are supported by an objective assessment of the risks and of different options to address such risks. Codex food safety standards play a central role in this context; they are based on scientific risk assessments and are adopted by member states. When governments harmonize their food safety measures with Codex standards, for example MRLs for pesticides, they

ensure a high level of food safety protection, while simultaneously minimizing trade restrictions.

This is not always simple. Science evolves, and measures that once appeared to be justified may require revision when new scientific evidence becomes available. Similarly, Codex standards need to be updated periodically to make sure they are based on the newest science. New food safety risks and concerns emerge all

¹ An STDF briefing note, titled “Facilitating safe trade: protecting health, reducing SPS trade costs”, a film “Safe Trade Solutions” and other related resources are available at: <http://www.standardsfacility.org/facilitating-safe-trade>. On electronic certification, an STDF briefing note, titled “Facilitating safe trade: going paperless with SPS e-certification”, and more is available at: <http://www.standardsfacility.org/SPS-eCert>

the time, as do new food production and processing techniques. Regulators frequently need to decide how to address these risks before scientific evidence is sufficient to conduct a thorough risk assessment, and before Codex standards have been developed. Often, provisional measures need to be adopted in the face of a new risk or a new technology, and removing or revising such measures as scientific knowledge expands can be difficult when consumers or producers have become used to a certain approach. Keeping international standards and domestic regulations up to date requires constant engagement and investment from members.

2. STREAMLINING FOOD SAFETY PROCESSES AND BORDER CHECKS

It is considered good regulatory practice to periodically review and simplify not only food safety measures, but also the procedures used to assess and enforce compliance with these measures. This may include cancelling outdated procedures, removing duplication in documents required by food safety authorities and other border agencies, or streamlining the day-to-day administration of food controls at international entry and exit points. Examples of application include: single window facilities for processing goods through both entry and exit customs formalities; automated customs information systems; and coordinated management of border clearance procedures to avoid overlap of food safety control responsibilities among various regulatory agencies, along with the excessive procedural requirements that such duplication of efforts entails.

Risk-based inspections are one way of ensuring effective food safety controls while expediting trade in low-risk products. Food safety inspections of imported products are focused on high- and medium-risk products, while lower-risk products are controlled

less frequently. This ensures that the resources available for food safety controls are used efficiently, maximizing public health protection while reducing delays in the importation of low-risk products. The benefits of simplifying food safety procedures are particularly salient in the case of small-scale traders, since it entices them to pass through formal channels and border posts. This is advantageous for both health protection and fiscal revenue. The challenge lies in identifying the high-risk products on which to focus inspections, based on the type of food, its origin, and the trader's record of compliance.

3. TRANSPARENCY

Food safety measures and procedures are documented in government regulations, yet traders in many countries report difficulties in finding information on requirements and procedures, applicable fees, waiting times, and document requirements. They may then need to rely on personal contacts, e.g. with relevant industry associations and government officials, to obtain such information, resulting in high information costs. Making sure that relevant stakeholders, including producers, traders and consumers, have easy access to information on food safety measures and procedures can enhance compliance and lower trade costs.

Improving transparency of food safety requirements and procedures offers one relatively simple way to enhance the governance and implementation of food safety measures and facilitate trade. This includes publishing the relevant regulations, ideally on the internet, and notifying them, as required by the SPS and Trade Facilitation Agreements. Online tools, including the Global Trade Helpdesk and the ePing notification alert system make the relevant requirements easier to find and access. The Global Trade Helpdesk, under development by ITC, UNCTAD and WTO, provides a unique entry point

to trade-related information, allowing interested stakeholders to research food safety and other regulations as well as a wealth of other trade-related information, based on the products and markets of interest. The ePing alert system, a collaboration among ITC, UNDESA and WTO, enables timely access to new official food safety requirements and other regulations. It also facilitates dialogue amongst the public and private sector in addressing potential trade problems at an early stage. Regular public-private dialogue is crucial to keep businesses informed of market-access requirements — including when food safety regulations or procedures change, in which case government authorities are encouraged to consult the business community and other relevant stakeholders to identify the best course of action.

4. INTER-AGENCY COOPERATION

Dialogue between food safety authorities, customs and other agencies involved in trade at, or behind, the border can reduce counter-productive institutional rivalries and help find collaborative and smarter ways to facilitate trade and improve results. Cooperation is important both among agencies on one side of the border, and among neighbouring countries. It reduces information gaps, avoids overlapping documentary requirements, promotes synergies in the implementation of food safety measures and enhances the effectiveness of available resources. Solutions include removing duplication in information requirements, harmonizing opening hours, or setting up joint inspections.

5. THE ADVANCE OF ELECTRONIC CERTIFICATION

A lack of certainty in the issuance and acceptance of food safety certificates can constitute a barrier to inclusive

trade. Around 43 percent of exporters from developing countries have identified the issuance and acceptance of SPS certificates as a constraint for micro, small and medium-sized enterprises (MSMEs) to participate in e-commerce (OECD-WTO Aid for Trade Survey, 2017). Electronic certification with its online application, faster processing and clearance times, and lower travel costs may contribute to more inclusive trade, particularly for MSMEs. Women traders, who face particular barriers in cross-border trade, are also more likely to benefit.

Electronic certificates can contribute to transparency and reduce costs and delays, lower food waste, while also increasing the integrity and security of food safety certificates, reducing fraudulent certificates, and hence building trust among trading partners. A number of developed and developing countries have started adopting electronic certification. Based on their experiences, electronic certification can be helpful in improving efficiency and security, cutting clearance times and reducing transaction costs. Crucially though, results also demonstrate that an effective transition to electronic certification is unlikely to come about if the paper-based systems that are going to be replaced are suboptimal; electronic certification is not a panacea and requires a certain level of capacity in the food safety authorities to be effective.

The international standard-setting bodies recognized in the SPS Agreement – Codex, OIE and IPPC – are all working on electronic certification. The Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS) has put in place an electronic Working Group to assess and review existing guidance on electronic certification. Work in the other areas, especially in relation to electronic phytosanitary certificates, is more advanced, presenting an opportunity for an exchange of lessons learned.

CONCLUSION: HARNESSING THE POTENTIAL OF CURRENT CAPACITY BUILDING INITIATIVES

The nature of food safety requirements is such that compliance challenges arising at and behind the border are often complex. Adequate capacity to control food safety risks is crucial to protect public health. It is also essential to enable exporters in developing countries to gain and maintain access to foreign markets. Repeated rejections of shipments for noncompliance with food safety requirements result in stricter scrutiny by importing countries, increased transaction costs, damaged reputation and a loss of confidence in the exporting country's competent authorities.

With the momentum provided by the entry into force of the WTO Trade Facilitation Agreement, several capacity building initiatives backed by substantial resources have emerged in recent years to support trade facilitation in developing countries. Customs authorities have traditionally been the main focus and beneficiary of these initiatives, while the modernization of food safety (and, more broadly, SPS) control systems has tended to lag behind. But the focus is gradually shifting and regulatory authorities in some countries have launched and/or are involved in various initiatives, sometimes in cooperation with other border authorities and the private sector, to harmonize, simplify and enhance the implementation of food safety controls and procedures to achieve gains in health protection and trade facilitation. Importantly, both the public and private sectors recognize the value of these reforms. The WTO TFA therefore represents a unique opportunity to leverage resources and capacity building support to improve the management of food safety procedures at the border.

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