



Brussels Rural Development Briefings
A series of meetings on ACP-EU development issues

Briefing session n° 11: Meeting food safety standards: Implications for ACP agricultural exports

11th May 2009 – 13h00 – 18h30
European Commission, Building A. Borschette
Rue Froissart, 36 - 1040 Brussels – Room 1D

<http://brusselsbriefings.net/>

Background

International trade of high-value food commodities has expanded broadly over the last few decades and exports from developing countries have shifted from traditional products such as coffee, tea, sugar, and tobacco to fresh produce, meat, and fish, which have the potential to compete in highly profitable markets. Trade in these products is, however, governed by a growing array of food safety and agricultural health standards. These product standards and technical regulations have been developed to address various risks and are of key importance to promoting economic growth and protecting the health and safety of consumers. The tightening of SPS standards by the WTO and international markets may undermine trade opportunities for low-income countries, which lack the administrative, technical, and institutional capacities to comply with stricter requirements. There is also concern that developed countries may use SPS standards as a trade barrier by applying them in a discriminatory manner. Moreover, an increasing number of company codes of practice and industry protocols extend beyond quality and safety management requirements to include environmental and social standards¹.

The proliferation of standards: constraints or opportunities to market access

Public and private standards of food safety have proliferated in recent years and there are significant differences in how standards are applied and enforced, as well as in the penalties for noncompliance. While standards are becoming more profuse and more diverse, harmonization seems lacking². These circumstances raise challenges for ACP suppliers seeking to penetrate new markets or thrive in existing markets for high value perishable agricultural and food products in industrialized countries. There is growing concern within the international development community that standards will undermine the competitive progress already made by some developing countries and present insurmountable barriers to new entrants into the high value food trade³. Anyway, for others, the emerging standards can provide opportunities that some developing countries could use at their advantage.

The case of private standards: which consistency with WTO/SPS obligations?

In addition to the WTO and the standard setting bodies explicitly mentioned in the SPS Agreement⁴, a set of private standards mainly based on commercial quality schemes has been developed to meet the needs of commercial parties (especially supermarkets) and consumers, and tend towards a non-scientific, zero-risk, marketing approach that is not always consistent with the disciplines of the SPS Agreement.

Some argue that private standards have not been tested for compliance with the disciplines of the SPS Agreement and are not consistent with SPS obligations. Therefore, there are reasons to consider that private standards in the sanitary field and phyto-sanitary fields may represent unjustified restrictions to trade. The implementation of private standards effectively introduces new (or stricter) sanitary measures, compared with those applied by the Competent Authority according to the recommendations of relevant international standard-setting bodies (OIE, Codex and IPPC). Private standards may or may not be applied in a consistent manner to domestic and imported goods, or to all exporters, potentially leading to discriminatory treatment of certain products or countries. Moreover, private standards are essentially private transactions, primarily

¹ World Bank, Food Safety and Agricultural Health Standards: Challenges and Opportunities for Developing Country Exports, 2005, <http://siteresources.worldbank.org/EXTBNPP/Resources/TF051844RegionGlobalstandardschallengessynthesisreport.pdf>

² Firms have organized collective action to formulate and apply joint or industry-wide protocols embodying the core building blocs of GAP, GMP, and HACCP. One prominent initiative at the level of primary production has been the development of the EUREPGAP protocol for fresh fruit and vegetables, and more recent efforts to develop EUREPGAP protocols for flowers, coffee and aquaculture.

³ World Bank, Food Safety and Agricultural Health Standards, cit.

⁴ The CODEX Alimentarius Commission (CAC), the International Plant Protection Convention (IPPC), and the Office International des Epizooties (OIE, also known as the World Organisation for Animal Health)

between suppliers and retailers, and may not, therefore be implemented or managed in a transparent manner. There is no obligation and sometimes little possibility (as they are part of confidential specifications / contractual commercial terms and conditions) for governments to notify trading partners or to provide an opportunity for them to comment on private standards, including those that relate to health risks⁵.

Evaluating the costs and benefits of compliance

The proliferation of standards in the private sector has created a complex and fast-moving environment that developing country suppliers need to understand, adjust to, and even anticipate. The costs involved in meeting the implementation requirements of the TBT and SPS agreements can amount to an entire year's development assistance budget in some least developed countries⁶. Suppliers are faced with layers of differing international standards, national standards, and private protocols: the more supply chains and countries that they service, the more complex the picture. They face a major challenge in staying abreast of the rules and requirements pertaining to particular markets and supply chains and understanding them and therefore need to integrate the costs of standards when calculating the costs and advantages associated with participating in different market segments. In some cases, there may be opportunities to service the domestic market, the regional market, or market segments in industrialized countries that impose less stringent standards or allow more time to implement certain measures. The enormity of the task of staying abreast of regulations and requirements can be reduced for all players through collective action, both within the private sector and through public-private partnerships.

Influencing market standards and raising national standards

Many ACP countries are unable to participate effectively in international standard-setting (Codex, OIE, and IPPC) and have requested technical and financial assistance for compliance and certification. The urgency of developing country participation has intensified now that some of these bodies have been recognised in the WTO agreements. Exporting enterprises have to meet the requirements of their target markets and demonstrate acceptable conformity to these requirements. The high fixed costs of establishing and maintaining certification facilities are particularly onerous and for some countries, the only sustainable solution lies in greater regional cooperation. To gain greater access to export markets, developing countries can influence international standards, and use the rules of the WTO Agreement on the Application of SPS Measures to their advantage. A first step is to raise national standards through collaborative and partnership work. The business sector stakeholders in ACP countries can complement efforts by governments, start with voluntary standards to help national industries and partner with importers. Donors support could improve coordination and complementarities to the benefit of ACP public and private sectors based on lessons drawn from past and ongoing support programmes.

Objectives of the Briefing

In order to improve information sharing and promote networking, CTA, the EC-DG Development and EuropeAid, the ACP Secretariat, Euforic, Concord and IPS organise bimonthly briefings on key issues and challenges for rural development in the context of EU/ACP cooperation. The briefing on 11th May 2009 will be organized with EC/ DG Sanco and the Coleacp/PIP and will discuss "**Meeting food safety standards: Implications for ACP agricultural exports**" by (i) raising awareness on existing and emerging key challenges; (ii) promoting exchange of information and expertise; (iii) feeding in the debate various perspectives on food safety standards.

Target group

More than 100 ACP-EU policy makers, representatives of EU Member States, civil society groups, research networks and development practitioners, international organisations based in Brussels.

Outputs

Input and comments before, during and after the meetings will be included in the Briefings blog: <http://brusselsbriefings.net/>. Short reports (briefings) in printed and electronic format will be available shortly after the meeting. Articles by IPS Europe, partner in this event, will be widely disseminated.

⁵ WTO, Considerations relevant to private standards in the fields of animal health, food safety and animal welfare', doc. G/SPS/GEN/822 25 February 2008.

⁶ DFID, Standards as Barriers to Trade: Issues for Development, Background Briefing Note 2001, www.tcd.ie/iis/policycoherence/index.php/iis/content/download/370/1443/file/DFID_Standards_as_Barriers_to_Trade.pdf



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Programme

13h00-14h30 Registration and lunch

14h30-14h45 Welcome remarks: EC, PIP, CTA

14h45-16h15 **Panel 1 - Meeting food safety standards and the challenges for ACP countries**

This session will review product standards and technical regulations of importance for the agri-food sector. The proliferation of standards and regulations may sometimes be used for protectionist purposes and the demands for ever higher standards might raise the hurdles facing producers and exporters in ACP countries. How difficult are the challenges posed by rising private and public SPS standards for ACP suppliers? What is the relative significance of these challenges, compared with other factors affecting competitiveness? What are the nature, magnitude and significance of costs and benefits associated with compliance?

Panelists:

- Food safety and agricultural standards : challenges and opportunities for ACP exports
Andrew Graffham, Natural Resources Institute, United Kingdom
- The Standards requirements to access the EU market
Jacky Le Gosles, Advisor, Directorate D, Health and Consumers Directorate General, EC
- Private Standards and the WTO/SPS Agreement: challenges for ACP countries
Robson de Moura Fernandes, Economic Affairs Officer Agriculture and Commodities Division, WTO
- *The implications of standards compliance for ACP producers and exporters*
Morag Webb, Policy adviser, COLEACP PIP
- Trends in European Agri-Food Standards
Steve Homer, Manager, BIOS partners, United Kingdom

16h15-16h30 Coffee break

16h30-18h30 **Panel 2 – Learning from experience: what are the challenges ahead on standard-setting and compliance for ACP countries?**

ACP countries face a number of problems which should be taken into account in the agenda in international negotiations over standards and regulations. Many countries are unable to participate effectively in international standard-setting and need technical and financial assistance in implementing the requirements of the agreements and support in compliance and certification. What are the lessons we can draw from trade-related SPS capacity-building programmes as to better meet the needs of the ACP countries?

Panelists:

- Trade-related SPS capacity building support: EU experience on regional integration and harmonization of SPS frameworks: lessons learnt and implications for future programmes
Michael Scannell, Advisor, Directorate D, Health and Consumers Directorate General
- *Experiences from the private sector:*
 - o Raising national and regional standards as to improve competitiveness : the role of private sector, *Dr Stephen Mbithi Mwikya, Fresh Produce Exporters Association of Kenya (FPEAK)*
 - o The experience of the Nile perch in Lake Victoria, *Philip Borel, Greenfields Uganda Ltd*
- Perspectives of ACP countries involvement in standard-setting
Dr Medhat El Helepi, coordinator of the EC-funded PAN SPSO programme, AU/IBAR
- Challenges with the development of compliance infrastructure
Mr. Steffen Kaeser, Industrial Development Officer, Compliance Infrastructure Unit of the Trade Capacity Building Branch, UNIDO

Conclusions