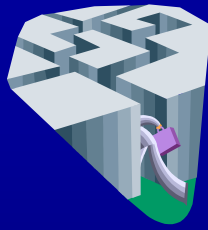

Sanitary and Phytosanitary Measures: Implications for Food Safety and Competitiveness

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Outline of Presentation

- Part I** **WTO Agreement on SPS**
- Part II** **Conceptual Framework for
Examining Standards**
- Part III** **SPS Measures related to
Environment, Health and Safety
Impacting the Agro-Food Sector**



PART I:

WTO Agreement on Sanitary and Phytosanitary Measures



SPS Agreement

- Allows adoption of SPS measures “only to the extent necessary to protect human, animal or plant life or health” (Art. 2.2)
- Encourages harmonization with international SPS standards, guidelines & recommendations
- Establishes the rules governing the adoption of SPS measures in accordance with international trade rules and principles:
 - To prevent unjustified or discriminatory restrictions to trade
 - To ensure notification and transparency of standard-setting processes
 - To encourage equivalence

SPS Agreement on Harmonization

- Harmonization with international standards strongly encouraged
- Work of 3 international organizations referenced:
 - 1) **Codex Alimentarius Commission (UN-FAO);**
 - 2) **International Office of Epizootics;**
 - 3) **International Plant Protection Convention Secretariat**
- SPS Committee required to maintain contact with and refer to these 3 organizations for technical advice
- Countries still allowed to determine their own “appropriate level of SPS protection,” but must be scientifically justified based on accepted risk assessment findings

SPS Agreement: Strongly Based on Science

- SPS regulations adopted by countries must be justified based on scientific principles & evidence (Art. 2.2)
 - Precautionary Principle (which is favored in multilateral environment agreements) not fully recognized in WTO agreements
- **Precaution CAN be exercised a temporary basis** where an SPS measure may be adopted when scientific evidence is not fully available and is being sought through the conduct an risk assessment within a reasonable period of time. (Art. 5.7)
 - Risk assessment must be prepared taking into account techniques developed by relevant international organizations
- While Agreement supports harmonization with international standards, a *more rigorous* measure can be adopted if scientifically justified (Art. 2.3)
 - Provided that it represents the least intrusive impact on trade

Food Safety and the Science of GMOs

- Debate exists on whether Genetically Modified Organisms (GMOs) are safe for human health and the environment
- There exist **NO scientific proof** that foods derived from GMO seeds are not safe for human consumption
 - Some proof exists that GMOs may invade natural environments and reduce biodiversity (Cartegena)
- No approved scientific method(s) to test for GMOs or determine if product is from GMO-derived materials
- EC has a more 'risk-averse' society than the USA, which has a more aggressive biotechnology agricultural sector – led to difference in positions regarding use of GMOs



The Washington Post Writers Group – October 2003

Shows that US consumers also concerned

Dispute Settlement and GMOs

- EC, Egypt, Saudi Arabia and others initially imposed a **ban** on the import of products containing GMOs based on the precautionary principle & concern that GMOs may adversely impact human health & the environment
 - Temporary EC ban allowed, but reasonable time expired for collecting scientific evidence needed to justify the ban
 - EC forced to **withdraw** ban – EC imported GMO maize for the first time in July 2004
 - Algeria maintains ban / WTO Accession stalled
 - SA only requires labeling since 2001
 - Egypt settled case with Thailand on use of GMO-derived oil for canned tuna exports to Egypt
- Debate in WTO Committee on Trade & Environment / MEAs now focused on issue of **Labeling** of GMO-derived foods + consumer right to chose + labeling for shipping

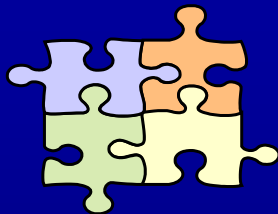


Equivalence

- WTO Members shall give positive consideration to **accepting as equivalent technical regulations of other Members**, even if they differ from their own, provided they adequately provide for the appropriate level of SPS protection. - SPS Agreement, Article 4
- Has important implications for **conformity assessment, including accreditation, inspection and testing**
- Multilateral Agreement (MLA) for recognition of equivalence difficult to achieve between developed and developing countries.
- MLAs being established between non-governmental accreditation bodies as well (e.g., between organic product certifiers through IFOM)

Developing Countries

- **Technical Assistance (Art. 9)**
 - To be provided especially for developing countries bilaterally or through international organizations
 - Technical assistance can be provided by importing WTO member to developing country Member where substantial investments are required to access its market (see EC Technical Assistance on Fisheries)
- **Special and Differentiated Treatment allowed for Developing Countries (Art. 10), e.g.,:**
 - Longer time-frames for compliance for products of interest to Developing countries
 - Time-limited exemption from certain provisions upon request

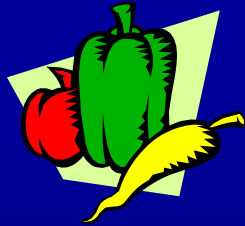


PART II: Conceptual Framework

Conceptual Framework

Thus, when considering the impact of environmental measures on output or trade, and possible policy implications and responses, one might think in terms of the following box

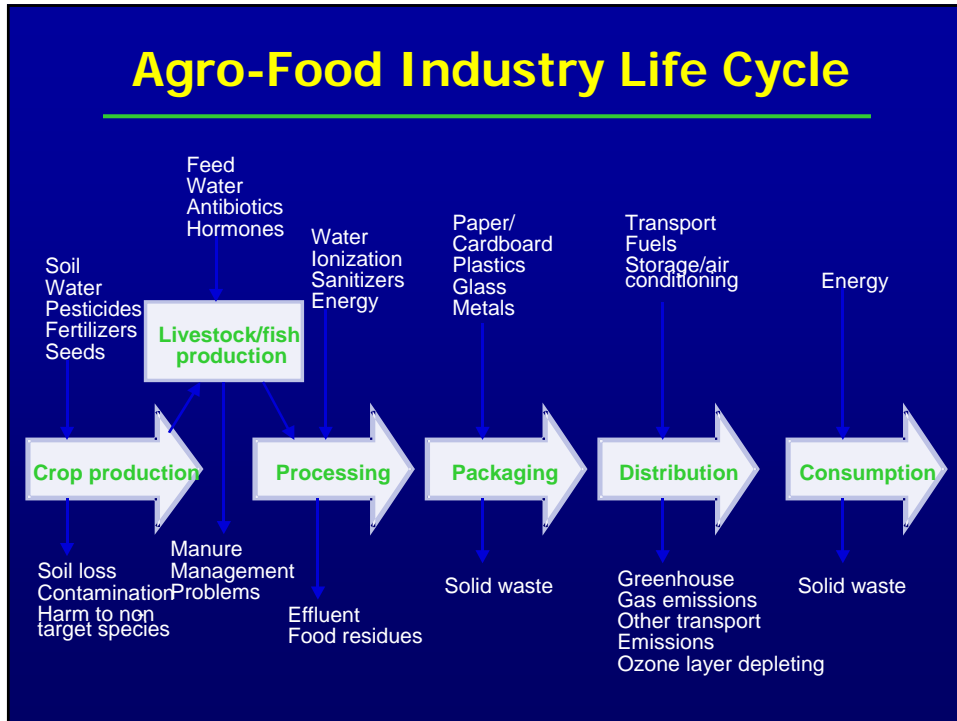
	Product Standards	Process & Production Methods	Conformity Assessment	Dispute Resolution
Regulatory Measures	<ul style="list-style-type: none"> Environment, Health & Safety Laws 	<ul style="list-style-type: none"> Compliance with Domestic Environmental Laws 	<ul style="list-style-type: none"> Laboratory Accreditation, testing and certification 	<ul style="list-style-type: none"> WTO Regional or bilateral negotiations
Voluntary Measures	<ul style="list-style-type: none"> Industry Standards & Specifications 	<ul style="list-style-type: none"> Eco-labeling Niche Markets 	<ul style="list-style-type: none"> Eco-labeling Importer testing 	<ul style="list-style-type: none"> Private Contract Law



PART III:

SPS Measures related to Environment, Health and Safety Impacting the Agro-Food Sector





CODEX and ISO on Food Standards

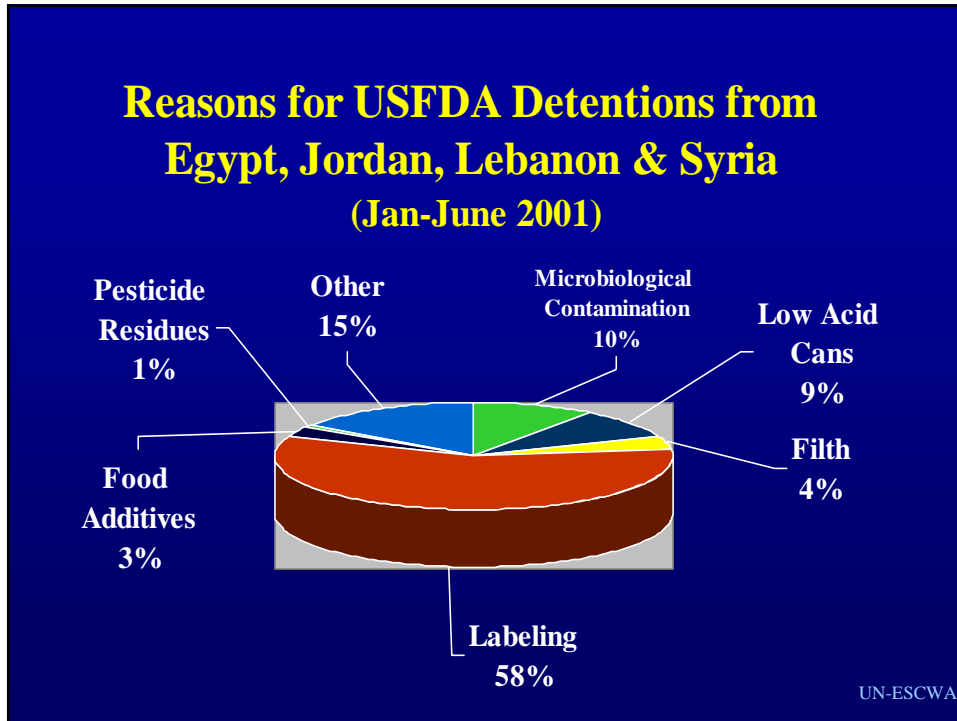
- **Codex has 172 members, which reflects an increase of 26 countries between 2005 and 1994**
 - The FAO/WHO Coordinating Committee for the Near East (CCNEA) on CODEX currently hosted by Egypt.
 - **CCNEA is responsible for harmonizing standards with a view towards facilitating intra-regional trade.**
 - However, six Arab countries are not represented on CCNEA: the Comoros Islands, Djibouti, Mauritania, Morocco, Palestine and Somalia; of those six, Mauritania and Morocco are represented on the regional committee for Africa.
 - **This fragmentation of the region and lack off full representation limits the potential to develop an Arab approach to Codex standards**
- **ISO had published 656 voluntary standards related to the work of the Technical Committee on Food Products (2005)**
 - Morocco & Oman currently the only Arab members on the Committee, but Algeria, Egypt, Libya, Qatar, Saudi Arabia, Syria and Tunisia maintain observer status
 - Not as technically sophisticated as CODEX, but expanding.

ESCWA Study on Environmental Requirements

- Surveyed of a sample of firms in Egypt, Jordan, Lebanon & Syria to identify major environmental requirements faced by private exporters in the region.
- Reviewed US detentions of agro-food exports from ESCWA member countries to US, which are posted on USFDA “Operation and Administration System for Import Support” (OASIS)
 - ↳ **OASIS supports Customs Administration & Informs Dissemination to consumers about specific companies/products**
 - ↳ **see <http://www.fed.gov.oasis>**
- Included interviews with chambers of commerce and ministries, since info on trade detentions and delays to/from Arab countries are poorly documented.

Environmental Measures most affecting the Agro-Food Industry in ESCWA Countries

	Product Standards	Process & Production Methods	Conformity Assessment	Dispute Resolution
Regulatory Measures	<ul style="list-style-type: none"> • Expiry date • Additives • Labeling • Packaging • Pesticides residues 	<ul style="list-style-type: none"> • Sterilization • Sanitation • GMO certification 	<ul style="list-style-type: none"> • High cost of product testing • Limited number of accredited labs in region 	<ul style="list-style-type: none"> • Communication links between firms & trade ministries poor • Politicization of inter-government dispute settlement
Voluntary Measures	<ul style="list-style-type: none"> • Eco-labeling • Packaging (recycled content) 	<ul style="list-style-type: none"> • ISO • HACCP • Sanitation • Eco-labeling 	<ul style="list-style-type: none"> • Inspection by importer • Cost of testing • Cost of maintaining conformity with eco-label 	<ul style="list-style-type: none"> • Ag. exporter usually bares cost of delayed shipments & storage • Time/cost needed to enforce contracts



Yemen OASIS Refusal Actions over last year

Only 2 Pharmaceuticals since mid-2005

- Mycota Spray – for athletes food
 - Not on approved list of drugs
 - 2 Feb 2006
 - Name of person provided
- Loratidine
 - Not on approved list of drugs
 - 1 September 2005
 - Name of person provided

EC Food Safety Legislation

- On 1 January 2005, the **General Food Law** came into force, which establishes the general principles and requirements of European food law.
 - Regulation (EC) No 178/2002 of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety
- Law establishes **European Food Safety Authority (EFSA)**
- Law references the **precautionary principle** as a means to ensure the health of European citizens; but recognizes that such a policy can give rise to trade barriers & thus recognizes the need to ensure uniform application of the principle throughout the EC.
- Law also articulates EC commitment to the use of **science-based risk assessment** and management of foodstuff, in line with WTO principles
- Highlights importance of consumer protection & food safety throughout EU: **Rapid Alert System for Food & Feed (RASFF)**

Notification: EU Rapid Alert System

Country of Origin	Date	Notified by	Product	Reason for notification
Egypt	26/01/2005	Italy	Coriander seeds	Too high count of Enterobacteriaceae in coriander seeds
Egypt	02/03/2005	Greece	Groundnut kernels	Aflatoxins in groundnut kernels
Egypt	26/01/2005	Italy	Groundnuts in shell	Aflatoxins in groundnuts in shell
Egypt	14/01/2005	Italy	Peanuts	Aflatoxins in peanuts
Lebanon	11/03/2005	Finland	Sesame paste	Salmonella Montevideo in sesame paste
Lebanon	24/01/2005	UK	Sojok spices	Unauthorised colour Sudan 4 in sojok spices
Lebanon	12/01/2005	Sweden	Sweet Curry	Colour Sudan 1 in sweet curry
Syria	11/03/2005	Cyprus	Peanuts	Aflatoxins in peanuts
Tunisia	26/01/2005	Italy	Spices & sweet peppers	Bacillus cereus in spices & sweet peppers

Source: <http://europa.eu.int/comm/food/food/rapidalert/reports/>

Yemen RASFF Notifications in 2006

- **Cadmium in Frozen whole round cuttlefish**
 - Point of entry: Spain
 - Date: 28 February 2006
 - **NO NAME OF COMPANY or PERSON**

- **Cadmium in frozen whole round cuttlefish (Sepia spp)**
 - Point of entry: Spain
 - Date: 28 February 2006
 - **NO NAME OF COMPANY or PERSON**

Nothing else!



Fish and Food Safety

- **EC Directive 2003/858L Commission directive laying down the animal health conditions and certification requirements for imports of live fish, their eggs and gametes intended for farming, and live fish of aquaculture origin and products thereof intended for human consumption**
 - Establishes Animal Health and Certification Requirements on Fish Imports intended for Human Consumption
- **On-line notification system indicating number and types of establishments certified for import to the EU**
- **Limited number of certified vessels from Arab countries**
- **Yemen has now 27 fishing vessels in compliance with EC requirements**
- **Note: NO vessels from Kuwait or Saudi Arabia certified for export to EC as of March 2005; Only 4 in Egypt.**

EC-Certified Arab Exporters of Fish Products				
Country	Number of Establishments	Establishments Type	Date decision into effect	Date of Expiry
Egypt	4	PP	24/11/2004	Mid-2005
Mauritania	100 53	ZV PP	24/02/2005	None noted
Morocco	333 333	ZV PP	29/09/2004	None noted
Oman	24	PP	31/03/2004	None noted
Tunisia	31 75 2	ZV PP PPa	24/01/2005	None noted
United Arab Emirates	9 1	PP Ppa	24/02/2005	None noted
Yemen	22	PP	17/03/2004	None noted
Yemen	25	PP	12/04/2006	None noted

ONLY ARAB COUNTRIES CERTIFIED KEY: **ZV** = Freezer vessel ; **PP** = Processing Plant; **PPa** = Plant processing only or partially materials derived from aquaculture (farmed products).

Trade Barriers to Food Exports

- Study in Arabic on Environmental Requirements has table noting:
 - **KEY MEASURES to comply with in order to export to the EC and USA**
 - **KEY MEASURES in OTHER ARAB COUNTRIES**

Eco-Labeling: Organic Production

- Organic products constitute a niche market that is growing in OECD countries.
- Organic production is based on voluntary environmental standards formulated by Governments and International NGOs
- Definition of “Organic” and its various levels differs between US, EC and other public and private led labeling schemes
 - Misleads and confuses consumers
 - Raises debate regarding Labeling requirements and standards
- Production of Organic Products is difficult in the absence of the locally available organic inputs, accreditation infrastructure & certifying institutions to support industry
 - Accredited organization needed to certify organic inputs as well as outputs.



Eco-Labeling: Conformity Assessment

- International Federation of Organic Agriculture Movements (IFOAM) Organic Guarantee System unites the organic world through a common system of standards, verification and market identity, see:
 - *IFOAM Accreditation Criteria for Bodies Certifying Organic Production and Processing (IAC)*
 - *IFOAM Basic Standards for Organic Production & Processing (IBS)*
- Sets baseline standards for organic labeling regimes throughout the world so that consumers are aware of the minimum requirements that a product must satisfy in order to be considered organic.
- Despite understanding that “organic” standards constitute PPMs and thus should remain voluntary, fear exists that eco-labeling may become so pervasive that it will effectively become technical barriers to trade and another obstacle to accessing developed country markets.

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Thank you.



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