



MODERNIZING SANITARY AND PHYTOSANITARY MEASURES TO FACILITATE AGRICULTURAL TRADE IN ASIA

Locations Bangladesh, Bhutan, Kiribati, Laos, Nepal, Pakistan, Solomon Islands, Vietnam

Dates 01/12/2021 - 31/12/2022

Summary

Despite agriculture contributing significantly to country GDP in most Asia Pacific countries, Asia's share of global trade is still at 20-25% – intra-regional trade is much easier than global trade. Stringent Sanitary and Phytosanitary (SPS) standards for agricultural imports, particularly in developed economies, have led to a number of new challenges for developing countries trying to increase their trade as a means of economic growth. In many cases, SPS regulations are acting as trade barriers. The FAO commissioned CABI to undertake a regional study to understand the ground realities regarding trade in Asia. The study strived to understand the bottlenecks in eight Asian countries and frame recommendations to facilitate cross-border trade and increase global trade from

The problem

Global agricultural exports have more than tripled in value and doubled in volume since 1995, exceeding US \$1.8 trillion in 2018. This expansion leads to better opportunities to increase countries' share in the global market, improving GDP and simultaneously improving the livelihoods of smallholder producers. However, these opportunities bring new challenges to the smallholders' ability to access markets and compete.

With the introduction of the Sanitary and Phytosanitary (SPS) agreement, as defined in Annex A of the World Trade Organization SPS Agreement, SPS measures are defined as 'including all relevant laws, decrees, regulations, requirements, and procedures regarding food safety.' It sets the framework by which international, regional, and national agencies create and implement SPS standards. Obligations towards its implementation are a crucial step toward enhanced transparency in the trade of agricultural commodities between member countries.

The emergence of new and stricter standards for agricultural imports in developed economies contributes to the new challenges faced by developing countries that are looking to increase their trade as a means for economic growth but also for the smallholders who want to move beyond subsistence agriculture.

Many of these challenges relate to compliance with these rigorous standards. In addition, weak institutional capacities of National Plant Protection Organizations (NPPOs) in the least developed countries for compliance and trade agreement negotiations involving SPS are key factors in limiting the inclusivity of small-scale actors in value chains.

Most Asian countries are therefore confronted with the need to strengthen SPS systems.

What we are doing

To understand these challenges and take advantage of the opportunities, the FAO and CABI led a study in the Asia Pacific region. Entitled "Opportunities and Challenges in Sanitary and Phytosanitary measures – Modernizing SPS to facilitate agricultural trade in Asia."

The study focused on analysing SPS-related barriers faced by agricultural exports in eight countries: Bangladesh, Bhutan, Kiribati, Laos, Nepal, Pakistan, the Solomon Islands and Vietnam. The project documented the key SPS issues, mapped the gaps in enforcement by trading partners and generated empirical evidence. The findings of the study were presented via regional and country-level reports, a regional position paper and a detailed proposal for future programming. The study also focused on understanding the SPS requirements that allow the individual countries to meet the requisite compliances and support improved and wider integration into global value chains.

Emphasis was also given on advocating a fair and equitable multilateral trading system through virtual events aimed at raising awareness and promoting digital tools, contributing to enhanced regulatory cooperation in future phases.

Results so far

The study was concluded in December 2022. Primary and secondary data was collected in all eight countries via comprehensive desk reviews, focus group discussions and key informant interviews, followed by dedicated workshops.

Furthermore, country-level seminars were held with key stakeholders and a regional webinar was organized to discuss the project findings and its regional implications.

In order to promote the use of digital tools, a two-day workshop was conducted to promote the [Pest Risk Analysis Tool](#) and [Horizon Scanning Tool](#) at regional levels. Detailed individual country reports, a comprehensive regional report and a position paper were developed under the proposal. The study findings were also summarised into a project proposal for the FAO for future programming.

Donors

Food and Agriculture Organization of the United Nations (FAO)

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