Enhancing Trade through Harmonization of SPS Measures: Experience from the Southern African Development Community

Introduction

The launch of the SADC Free Trade Area (FTA) in September 2000 ushered in a new opportunity for SADC Member States to access a market of approximately 200 million people covering a diversified range of goods and services. The key elements of the SADC FTA are economic integration through trade and investment.

Despite agreement on liberalization of tariffs especially on agriculture and agro-related products, the absence of harmonized procedures on Sanitary and Phytosanitary (SPS) measures and regulations between the SADC Member States can pose significant technical barriers to the attainment of the objectives of the declared FTA. In many countries, SPS regulations are non-existent for a wide range of economically important commodities. Even where two or more countries already have close bilateral trade regimes, the absence of harmonized procedures can pose constraints to further trade expansion, even where potential gains far outweigh the costs.

For the SADC Member States, the harmonization or mutual recognition of SPS measures for effective intra-SADC and external trade has significant economic and political appeal. Harmonized regulations provide new opportunities for expanding trade in key economic sectors. Improved SPS regimes further reduce uncertainty amongst buyers and sellers, given a common understanding of grades and standards by which agricultural and agro-related goods would take place. In such an environment, not only is the quality of goods exchanged enhanced, but it also leads to reduction in inefficiencies attributed to non-market forces.

This article provides an overview of the strategic approach to the harmonization of sanitary and phytosanitary regulations in the member states in support of the direct implementation of the Trade Protocol. It discusses the technical, policy and institutional aspects of the harmonization exercise and provides a framework for implementation of the proposed measures. The results of this exercise will contribute to the development of a Technical Annex to the SADC Trade Protocol on Sanitary and Phytosanitary Measures that will assist member states in enhancing trade relations with each other as well as the rest of the world.

The transformation of the Southern African Development Coordinating Conference (SADCC) to the Southern African Development Community (SADC) in 1992 (Windhoek Treaty), began a process to promote deeper regional integration in order to improve the livelihood of the citizens of the SADC region. Compared to the SADCC which focused mainly on coordinating peace and security issues, the cornerstone of the Windhoek Treaty was integration through trade, which involves the removal of external barriers such as tariffs, as well as internal barriers such as monopolies, licensing and other bureaucratic procedures (SADC, 2000).

The SADC Free Trade Area (FTA) became effective in September 2000 and its goal is to alleviate poverty in the region by enabling small-scale farmers to enter the mainstream trade arena through the opening up of markets previously unavailable to them.

Yet, opportunities presented by the FTA in food and agriculture trade may be hampered by the absence of SPS rules and regulations that promote trade among members. While there is no information available on the trade impact of SPS measures in SADC, Henson et al (1999) argue that SPS measures potentially prohibit trade by increasing production and marketing costs and also lead to trade diversion through regulations that discriminate against potential suppliers.

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The SPS Agreement

The Agreement on Sanitary and Phytosanitary (SPS) measures came into effect in 1995 with the creation of the World Trade Organization (WTO). The WTO marked a landmark in global trade as it instituted, for the first time, principals on trade in agricultural products.

The SPS agreement contains the basic rules for food safety, animal and plant health standards. SPS measures also apply to protect the health of fish, wild fauna, wild flora and forests. The SPS agreement allows countries to set their own standards but emphasizes that standards be based on science, because the cornerstone of the WTO agreement is to allow countries greater market access and not to restrict trade. The essence of SPS measures is to ensure that consumers in a given country are supplied with food that is considered safe by that country's standards. Hence, the SPS agreement is explicit that standards applied should be the same for both domestic and imported products. SPS measures are defined as any measures applied:

- To protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food;
- To protect human life from plant- or animal-carried diseases;
- To protect animal or plant life from pests, diseases or disease-causing organisms;
- To prevent or limit other damage to a country from the entry, establishment or spread of pests. (WTO, 2000)

The SPS agreement does not set standards but recognizes three international bodies in setting standards. These are the Food and Agriculture Organisation (FAO) International Plant Protection Convention (IPPC) for plant health; the Office International des Epizooties (OIE) for animal health and the World Health Organization (WHO)/FAO Codex Alimentarius Commission for human health. However, a country may choose not to use an international standard as long as it can justify scientifically and demonstrate that the relevant international standard would not result in the level of health protection the country deemed appropriate. In such a case, a country may request that a risk analysis be carried out.

The Status of Sanitary and Food Safety Legislation

Animal health in SADC is well coordinated among member countries. SADC provides a forum where directors in charge of veterinary affairs in member countries meet every year to exchange information on the status of animal health in their respective countries. Furthermore, all SADC countries are members of the OIE and regularly attend meetings of the OIE International Committee which sets standards on animal health.

Legislation on animal health in some countries has been amended to accommodate changes that have occurred in animal health. It should also be stressed that four SADC members (Botswana, Namibia, Swaziland and Zimbabwe) qualify for preferential market access into the EU market, and have top quality abattoirs that are audited by the EU on a regular basis.

Trade in meat and meat products within SADC countries is limited in many cases because of the presence of Foot and Mouth disease (FMD), in some member countries. A country like Zambia can only export meat products to Angola or DRC but not to South Africa, Botswana or Namibia. This is because there are some countries, namely Botswana, Namibia, Swaziland, Zimbabwe and South Africa that have managed to contain areas that are free of FMD and therefore are more diligent in ensuring that these areas are not jeopardized.

Most of the legislation in place is predisposed towards preventing the spread of pests and disease, although there has been some amendments to accommodate provisions on trade. For instance, the countries surveyed require a veterinary certificate for imports and exports of meat products. Furthermore these countries are members of the OIE and are usually represented by top veterinary officials at OIE meetings.

However, sanitary legislation for fish and fish products in many countries is lacking. Countries with legislation on fisheries include Mozambique, Tanzania, Namibia, South Africa and Mauritius.

Food Safety legislation

Apart from Botswana, Mauritius, and Tanzania, the other SADC countries do not have legislation governing food safety. Most of these SADC countries rely on their Public health acts, which are in many cases outdated and do not encompass many of the changes and regulations suggested by the Codex Alimentarius Commission.

Generally, legislation governing plant and animal health is more advanced compared to legislation to human health. This can be explained by the fact that SADC member countries in general have strong producer lobbies, while consumer lobbies are weak or non-existent in some countries.

The private sector in SADC seem to have taken on the role of meeting food safety provisions to satisfy their export markets, which is mainly Europe. Therefore, it is not surprising that export companies apply highly sophisticated levels of food safety to maintain their export markets. One method that is increasingly being used by the private sector in SADC (by virtue of their exports to Europe) is the Hazard Analysis Critical Control Point (HACCP) system. HACCP is a preventative approach against hazards entering the food chain at various processes of the food chain process.
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Export products particularly to the EU operate under different standards, as they must adhere to regulations demanded in that market. The Mozambique fish sector is a good example where procedures such as HACCP are followed for exports but not for domestic products.

**Phytosanitary Legislation**

Phytosanitary legislation, as in sanitary legislation, is focused towards the prevention of pests and disease. However, the capacity for many countries in SADC to conduct research and to render services to producers and consumers is limited by a shortage of manpower and facilities. Phytosanitary legislation needs periodic review to ensure consistent with changes in the domestic environment and international standards.

**Conclusion**

Market access in developed country markets is of paramount importance for many SADC countries, particularly given that many are beneficiaries of preferential market access to the EU and now the United States under AGOA. These opportunities may be lost given the heavy burden that SPS/FS requirements can impose on some export food chains. Residually, many SADC countries cannot go it alone and therefore there is need to combine resources to address SPS/FS issues at a regional level.

Generally the private sector is more sophisticated in the implementation of SPS/FS measures because it must meet requirements demanded in importing markets. Yet, SADC countries also face significant limitations in the ability to conduct tests due to inadequate laboratory equipment and chemicals to conduct sophisticated analyses required to determine international standards. The private sector therefore needs effective laboratories in the region that can conduct such analysis instead of sending samples overseas.

Although SADC countries are members of international organizations, it is important that they are active participants especially in the various standard setting committees, as this would ensure that their interests are taken on board. There is need to have a central body in the various member states to coordinate all SPS/FS activities. In addition to that there is need to invest in a communication network to ensure regular dissemination of information among member states, and to have more accredited laboratories at regional level to enable sharing of resources.

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**SADC biotechnology, trade and policy workshop**

AfricaBio together with FANR-PAN (Food, Agriculture and Natural Resources Policy Analysis Network for SADC) held a workshop on Biotechnology, Policy and Trade in the SADC (Southern African Development Community) region on 10-11 July 2003 at Rosebank Hotel in Johannesburg, South Africa. The aim of the workshop was to inform key biotechnology stakeholders and decision makers in the SADC region on issues relating to biotechnology, policy and trade and to provide an opportunity to discuss how SADC countries can prepare for dialogue with the WTO (World Trade Organization). In addition, participants discussed current issues and needs on biotechnology in the region.

Presenters included international speakers from Europe, United States of America, Argentina and several African countries. The list of participants and speakers with the titles of their presentations can be obtained from Fanrpan.

The workshop looked at the global and African perspectives pertaining to biotechnology, the relationship between food security and biotechnology and policy harmonization and legislation in the SADC region. A key priority is to have a harmonized commitment to develop and integrate policies for incorporating biotechnology strategies into agriculture. SADC is in a strong position to learn from the European Union in terms of harmonization and regional cooperation. Other issues considered were the capacities for risk management, communication and regulatory framework, the need to undertake cost benefit analysis, capacity for achieving compliance with regulations of (developed) importing countries.

There is need to ensure accuracy and applicability of Genetically Modified testing procedures. In policy development, there is need to prioritize GM food production for national and regional food security with GM production for the export markets, as well as develop incentivization mechanisms for growing non-GM crops. There is consensus that biotechnology is an important platform to deliver sustainable solutions for agriculture in the region, but SADC should increase its involvement in the global debate on GMOs, which must be demand-driven. Africa needs to create its own solutions to reap maximum benefits from biotechnology. Contract and research farming could be a viable solution provided an appropriate legal framework is in place. The private sector can contribute to capacity building through research and education scholarships. SADC tends to react to crisis situations as they arise which makes harmonization difficult to achieve. The benefits of free trade also need to be convincing by demonstrating them to SADC policymakers.

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SADC needs to develop a critical mass of scientists within the region, well trained in biosafety issues, and when such scientists are trained they will need proper places to work and attractive salaries. A regional center should be developed where GMO testing and risk assessment can be done quickly as well as developing national biotechnology policies, creating a database of funding opportunities for capacity building, and developing formal networks for exchange of information on biotechnology in conjunction with the SADC Advisory Committee on Biosafety.

The workshop also looked at the impact of variations in climate and effects of HIV/AIDS on the policies and technologies needed to deal with the problems, such as management of strategic food reserves, futures markets and farmer education.

The SADC Advisory Committee on Biotechnology and Biosafety

The objective of the SADC Advisory Committee on Biotechnology and Biosafety (ACB) is to advise member states on policy and technical issues related to GM technology, including food safety, genetic crossing, consumer and ethical and trade issues. The twelve-member team of the ACB comprises crop and animal scientists, legal experts, policy makers and civil society representatives from the region. Its workplan includes developing model biosafety legislation, which will take into account protocols on related international legislation, and promotion of harmonization of such regulations. The Committee will also conduct a training needs assessment on GM technology and initiate public awareness programmes.

There are a number of biotechnology initiatives in the region with a risk of duplication in the absence of formal networks. The ACB will be best placed to develop strategies for promoting networks and information exchange in the region, forming direct linkages with member countries through the SADC Secretariat, and coordinating the formulation of a common protection on how best to dialogue with WTO on biotechnology-related trade issues.

To obtain more information on the deliberations of the Policy Dialogue visit the FANRPAN Website - www.fanrpan.org

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