The new agro-biotechnologies

Challenges, trends and institutional considerations

El Niño and the agricultural sector
Strengthening institutional capabilities in the field of sanitary and phytosanitary measures

The IICA/USDA Initiative is facilitating the active participation of Latin America and the Caribbean in international forums where sanitary and phytosanitary measures are adopted to regulate trade in agrifood products.

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With the entry into force of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), in 1995, the regulatory framework governing the international commodities trade experienced a turning point as a result of the new legal instruments that require compliance from its 148 Member countries.

The SPS Agreement is an important instrument to promote fair trade in commodities from the standpoint of animal and plant health. It establishes commitments and obligations and also poses new challenges which, if not observed or taken advantage of, could create gaps between those countries that benefit from the multilateral trade system and those that merely attempt to fulfill their obligations.

Countries maintain a sovereign right to ensure the protection of animal and plant health in their territory through the implementation of regulatory standards, which must be based on scientific principles. Furthermore, such measures must not discriminate in an arbitrary or unjustified manner between countries with identical or similar conditions.

The crucial importance of effectively implementing this Agreement and its relevance to the international standard-setting organizations, prompted the Inter-American Institute for Cooperation on Agriculture (IICA) to carry out an evaluation and support capacity-building efforts in this area among its Member States.

The results of a preliminary assessment of the institutional development of IICA’s Member States in this regard showed a significant lack of coordination among the institutions that negotiate and implement regulations, and in particular, between these and the private sector. It also revealed that these institutions gave very low priority to these matters, at the expense of competitiveness and the defense of their own interests.

Historically, the participation of the countries of the Americas in the SPS Committee has been characterized by a notable absence of “capital-based experts” or national experts, despite the fact that they are largely responsible for the effective implementation of the SPS Agreement in the domestic sphere. The assessment also revealed that in some countries the communication mechanisms
between the institutions responsible for animal and plant health measures were weak or almost non-existent. Having identified these problems, IICA and the United States Department of Agriculture (USDA) implemented a joint initiative aimed at strengthening the countries’ institutional capacity for effective participation in the SPS Committee. The Initiative’s approach is based on the exchange of experience among participating countries and on the development of individual and institutional leadership capabilities.

The IICA/USDA Initiative includes:

- the possibility of attending meetings of the SPS Committee,
- the organization of workshops prior to meetings of the Committee,
- presentation of successful cases and of national technical positions with a view to promoting horizontal cooperation,
- presentation of reports that help identify the degree of implementation of the SPS Agreement, and
- the gradual transfer of financial obligations.

Five key characteristics

During the implementation period of the IICA/USDA Initiative, five characteristics were identified in developing countries that show an active participation in the SPS Committee. These basic characteristics mark the difference between a physical presence at the SPS Committee meetings and a proactive participation, which includes ongoing capacity-building efforts and effective implementation of the SPS Agreement. These characteristics are described below.

1. Operation of active coordination mechanisms between the public and private sectors. Countries with active participation have mechanisms through which public and private institutions establish and implement an SPS agenda. These may be formal or informal mechanisms, but their common feature is the effectiveness with which they operate. Some countries have formally established a national SPS Commission, through decrees, or else are in the process of doing so. Others have used existing mechanisms and incorporated SPS issues into their discussion agendas, in some cases with the support of agencies such as IICA or FAO.

One of the countries that has embarked on a process to establish a coordination mechanism states: “The approval of an Executive Decree establishing the National Committee on Sanitary and Phytosanitary Measures, its regulations and implementation, will facilitate the process of coordination and will strengthen actions among the different sectors involved, to maintain close communication links and disseminate information among them. This will result in numerous benefits, and particularly in an effective follow-up of the SPS Agreement”.

In this regard, the IICA/USDA Initiative has served to promote dialogue in these countries together with analysis of the issues to be discussed in the SPS Committee. It was also necessary to promote the creation of intersectoral and inter-institutional coordination mechanisms that bring together the private sector and the Ministries of Agriculture, Economy and Foreign Trade, in order to define a national agenda, including a “country position”, in relation to the issues discussed by the Committee. According to information facilitated by the participants, prior to the Initiative only 21% of IICA’s 34 Member States had some formal or informal mechanism for establishing a national SPS agenda. Now the figure stands at 82%. (See Figure 1).

2. Fluid and continuous communication channels operate between “capital-based” institutions and the mission in Geneva. Fluid communications allow these countries to anticipate and address, in a timely manner, situations of national interest. Similarly, this type of liaison provides an alternative form of support when the capital-based experts cannot be present at meetings of the Committee.

One of the countries participating in the Initiative affirms that: “…Participation in the SPS Committee of the WTO is considered essential, either through the physical presence of capital-based officials at the discussions or by “feeding” arguments and
information to the Mission in Geneva “ […] “The sustainability of an active participation is based on coordination mechanisms between capital-based officials and the mission in Geneva”.

Some nations that do not have a permanent mission at the WTO argue that if effective regional coordination were to be achieved, it would be possible to develop joint positions and take advantage of the infrastructure of countries that do have a mission in Geneva, Switzerland, where the WTO is headquartered.

3. Officials with a primary responsibility for the SPS Agreement and its application in the international sphere. Follow-up, analysis, information, leadership and the delegation of issues linked to the SPS requires minimum investment and the organization of human resources to be able to take advantage of and comply with the SPS Agreement. This is confirmed by another of the countries: “The importance of SPS issues, and the diversity of the agents involved, merits a systematic and continuous treatment, which is not easy to achieve without having personnel assigned to this task”.

4. Decision-makers define and execute specific actions on matters related to SPS. One of the most important characteristics of the countries that are making progress in the implementation of the SPS Agreement is that their politicians or decision-makers recognize the importance of active participation in international forums, and define and execute specific actions to strengthen this position. One country promoted the implementation of specific disciplines in relation to the Committee, considering that it was strategic to improve their private sector’s conditions of access. This was achieved by defining a policy, with the support of its authorities and the coordination of the private sector.

Recognizing the importance of involving policymakers, one of the countries indicated that: “In the medium term, it will be essential to ensure that national authorities recognize the importance of these forums, so that the necessary resources may be approved and allocated to facilitate an active participation in the WTO, OIE, IPPC and the Codex Alimentarius”.

5. Priority is given to resource allocations for a continuous participation in the international arena. Some of the nations that have benefited from the IICA/USDA Initiative have begun negotiations and have included resources within their annual budgets, corresponding to participation in future meetings. Others have earmarked resources for specialized training of the technicians who work in this area.

These five aspects show that developing countries have other options or actions within their grasp that enable them to make significant progress without relying substantially on financial resources and technology. Traditionally it has been argued that these two variables are the main factors that limit effective participation in the international arena.

Quantified results

The effectiveness of the joint initiative by IICA and the Department of Agriculture of the United States has been documented and quantified, together with the direct results of countries’ progress in participating in the SPS Committee. The evident advances have made it possible to continue with a constantly changing initiative that is increasingly aimed at identifying countries’ commitments and obligations. Some of the results identified are the following:

1. Participation in the meetings of the SPS Committee. The purpose of the initiative is to promote the presence and active participation of
capital-based experts at meetings of the SPS Committee and encourage national capacity-building efforts. During the period between June 2000 and June 2002, the participation of delegates from the Americas in the SPS Committee meetings averaged 28%. Between October 2002 and June 2004 the percentage increased to 97%. At the regional level, the most notable changes were seen in the Caribbean and Central Regions, which went from a participation rate of 0% to 95% and 92%, respectively. For its part, the Andean Region went from 3% to 100% (See Figures 2 and 3).

Active participation is understood as the definition of an official policy of representation at international organizations to facilitate a continuous follow-up of the work carried out by these bodies, in order to ensure that national interests are represented in a coordinated and shared manner.

The IICA/USDA initiative has benefited 148 capital-based experts from the Americas. Of these, 59% belong to the Ministries of Agriculture, 36% to the Ministries of Trade and/or ministries in charge of negotiations at the WTO (Foreign Trade, Foreign Relations, Finance) and 5% to the Ministries of Health. The challenge, undoubtedly, is to increase the level of inter-institutional and intersectoral coordination, in order to ensure that official national delegations represent the viewpoints and inputs of all interested parties (See diagram 4).

3. Strengthening transparency processes. All the countries of the Americas have reported the identification of Enquiry Points and notifications to the WTO; in many cases, however, there is limited national capacity to fulfill the commitments of transparency and, especially, to take advantage of the benefits and opportunities afforded by these mechanisms. Nevertheless, the number of notifications presented by some countries of the Americas has increased significantly (See Figure 5). This is particularly important, given that transparency is one of the main pillars of a multilateral trade system based on regulations. However, the challenge remains very great, given that there are still some countries that have not presented any notifications whatsoever and that the SPS Committee has called for further transparency commitments on the issues of equivalence and special and differentiated treatment.

4. Participation in the discussions of the SPS Committee. With the implementation of the IICA/USDA Initiative, the qualitative participation of the countries of the Americas in the SPS Committee has evolved positively. This is reflected in the leadership shown at meetings on technical matters, such as the question of special and differentiated treatment, equivalence and regionalization. The contributions and inputs of developing countries have enriched the discussion.

A comparison of four meetings held during the period of the IICA/USDA Initiative and four meetings not covered by the Initiative, clearly shows that the interventions by the countries of the Americas on the question of transparency increased by 500%. Their participation on issues of technical cooperation increased by 300%. (See Figure 6).

IICA’s Member States have also participated actively in discussions on trade, even though many of the issues raised concern few of them. A number of countries of the Americas are also beginning to express their positions or trade interests before the SPS Committee. The countries of the Americas account for 22% of the WTO Members, but they have interests in more than 70% of the trade cases brought before the SPS Committee.
As a complement to the results described above, the countries have obtained other benefits:

- opening of channels of communication with their counterparts in Geneva,
- knowledge of the dynamics of the Committee meetings, the issues and their impact at the national level,
- knowledge of the benefits and opportunities stemming from an active participation in the Committee,
- establishment of regional and international contacts with their technical counterparts,
- strengthening of the information and notification points,
- use of mechanisms afforded by the Agreement and the Committee to advance their positions,
- strengthening of negotiating capacities in order to use these in bilateral processes,
- configuration of a hemispheric community to discuss and analyze technical issues,
- regional coordination, and
- bilateral meetings

In addition, the IICA/USDA Initiative has served to identify countries with valuable human resources and a willingness to embrace change and which, despite limited resources and little or no experience with the SPS Committee, implemented concrete actions.

The Initiative is an example of the way in which resources may be used for capacity-building in the context of international organizations, at a time when available resources are increasingly scant and regulated. It also shows that developing countries have access to options or actions that will enable them to make significant progress without the need for large investments in capital or technology.

In the countries that are making progress in the implementation of the SPS Agreement, policymakers recognize the importance of an active participation in international forums, and they define and execute concrete actions that strengthen this position.