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Committee on Sanitary and Phytosanitary Measures

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UPDATE ON OECD ACTIVITIES OF INTEREST TO THE SPS COMMITTEE

COMMUNICATION FROM THE OECD

The following communication, received on 2 March 2021, is being circulated at the request of the OECD.

1 DIGITAL OPPORTUNITIES FOR SANITARY AND PHYTOSANITARY (SPS) SYSTEMS AND THE TRADE FACILITATION EFFECTS OF SPS ELECTRONIC CERTIFICATION

1.1. A recent OECD report describes current trends in the use of digital tools and examines the potential for digital technologies to create efficiencies in SPS systems and enhance agro-food trade. Structural gravity model estimates indicate positive effects on trade volumes from digital technologies such as SPS electronic certificates, notably for plant-based, vegetables and processed food products. The report also identifies the main challenges associated with expanding the use of digital technologies in agro-food trade, as well as the conditions required to address these challenges. In this sense, successfully expanding the use of digital technologies requires careful planning and long-term investments. Targeted financial assistance and capacity building can provide support to countries currently lacking the capabilities to adopt these tools.

- This report will be published as an OECD Food, Agriculture and Fisheries Paper in March-April 2021.
- This report will be presented during a Side Event to the SPS Committee Meeting on 26 March 2021, from 14:00-15:00.

2 NON-TARIFF MEASURES IN AGRICULTURE

2.1. Sanitary and Phytosanitary (SPS) provisions and Technical Barriers to Trade (TBT) generally raise trade costs, but by providing a positive signal to consumers that enhances confidence in imported products they can also expand trade. This paper seeks to identify which specific elements of SPS and TBT measures are particularly trade enhancing. It investigates the trade cost and trade enhancing effects of SPS and TBT measures along with other types of NTMs in agricultural trade. It provides estimations on the quantity and price effects on 34 SPS and 24 TBT measures.

2.2. The econometric results show that technical measures can increase import prices of agricultural products by nearly 15%, most of which comes from restriction or special authorisation for TBT or SPS reasons, such as registration requirements. Conformity assessment also tends to significantly increase the cost of trade. Trade enhancing effects are identified for labelling and packaging requirements, which are also the measures with relatively low associated trade costs.

- Gourdon, J., S. Stone and F. van Tongeren (November 2020), "Non-tariff measures in agriculture", OECD Food, Agriculture and Fisheries Papers, No. 147, OECD Publishing, Paris. <http://dx.doi.org/10.1787/81933f03-en>.

3 GETTING GOODS ACROSS BORDERS IN TIMES OF COVID-19

3.1. This note updates "Trade facilitation and the COVID-19 pandemic" from April 2020 with insights into the evolution of new border protocols and trade facilitation measures impacting traders since COVID-19 and exploring what more can be done to prepare for the next stages of the pandemic as uncertainty persists. It highlights the importance of transparency and availability of timely trade-related information in mapping bottlenecks and risks, as well as the importance of trade facilitation measures in supporting business recovery and resilience across different goods sectors. Finally, it provides some preliminary insights for trade facilitation with respect to the distribution of vaccines.

- This policy brief was published on 18 November 2020 and can be accessed here: <http://www.oecd.org/coronavirus/policy-responses/getting-goods-across-borders-in-times-of-covid-19-972ada7a/>.

4 RECENT WORK ON TRADE-RELATED INTERNATIONAL REGULATORY CO-OPERATION

4.1 Good regulatory practices and co-operation in trade agreements: A historical perspective and stocktaking

4.1. This paper presents a stocktaking of standalone chapters in trade agreements dedicated to good regulatory practices and international regulatory co-operation. While standalone regulatory policy chapters in trade agreements remain a new development, they signal countries' increasing interest in elevating the visibility and ambition of regulatory policy, in line with their commitments in the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance and the 2005 APEC-OECD Integrated Checklist on Regulatory Reform. Still, the level of ambition of these chapters varies widely depending on the state of play of regulatory policy in trading partners. By comparing the main substantive and structural features of these chapters, this stocktaking aims to inform the development of similar chapters in future trade agreements.

- Kauffmann, C. and C. Saffirio (2021), "Good regulatory practices and co-operation in trade agreements: A historical perspective and stocktaking", OECD Regulatory Policy Working Papers, No. 14, OECD Publishing, Paris, <https://doi.org/10.1787/cf520646-en>.

4.2 Best Practice Principles on International Regulatory Co-operation (the Principles)

4.2. The aim of the Principles is to provide policy makers and civil servants in both OECD member and partner countries with practical guidance on international regulatory co-operation (IRC). Such undertaking would help them identify and make use of the relevant forms of IRC in support of economic prosperity, welfare and the public interest. The objective is to complement Principle 12 of the 2012 OECD Recommendation of the Council on Regulatory and Policy Governance which calls on regulators and policy makers to give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction, when developing regulatory measures.

- The draft Principles are currently open for public consultation (until 3 March 2021). The draft can be accessed here: <http://www.oecd.org/gov/regulatory-policy/public-consultation-best-practice-principles-on-international-regulatory-cooperation.pdf>.
- Previous publications of the series of OECD Best Practice Principles for regulatory policy are available here: <http://www.oecd.org/gov/regulatory-policy/recommendations-guidelines.htm>.

4.3 No policy maker is an island: The international regulatory co-operation response to the COVID-19 crisis

4.3. This brief discusses how countries can together manage more effective and consistent responses to the COVID-19 crisis and its vast consequences by learning from each other, ensuring the resilience of supply chains and maintaining the interoperability of essential services through international regulatory co-operation (IRC).

- This policy brief was published on 8 June 2020 and can be accessed here: <http://www.oecd.org/coronavirus/policy-responses/no-policy-maker-is-an-island-the-international-regulatory-co-operation-response-to-the-covid-19-crisis-3011ccd0/>.

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