

**OVERVIEW OF SPS-RELATED ACTIVITIES**

Communication by the World Bank

The following communication, received on 10 February 2010, is being circulated at the request of the World Bank.

1. The World Bank has undertaken a number of activities in order to broaden and deepen the operational agenda related to food safety and agriculture health management (sanitary and phytosanitary (SPS) issues), including analytical work, training/e-learning for stakeholders, direct technical assistance and investment. The involved parties have included the World Bank – Agriculture and Rural Development Department (ARD), the World Bank's International Trade Department (PRMTR), and the regions, with a considerable amount of this work done in conjunction with other organizations. Some of the most prominent activities undertaken by the World Bank in the SPS field during FY 2008/2009 covered the following:

(a) Mainstreaming SPS into World Bank's operations

2. In recent years, the World Bank has undertaken Country Assessments of food safety and agriculture health capacities in several countries. Actions Plans to strengthen those capacities, based on the assessment and prioritization of constraints and opportunities, have also been prepared. To see the list of action plans and assessments <http://web.worldbank.org/>. The most recent work in this area includes the report: *Lao People's Democratic Republic- Sanitary and Phytosanitary Measures: Enhancing Trade, Food Safety, and Agricultural Health* (<http://www-wds.worldbank.org/>) published in 2009.

3. Similarly, the World Bank has been supporting the design and implementation of projects with significant components (or sub-components) related to food safety and quality, and agriculture health issues. During the period 1998-2007, about 41 projects with food safety and agriculture health components were approved, covering 35 countries. Agriculture commercialization projects currently in implementation in Zambia, Senegal, Mauritania, Mali, Burkina Faso, Mozambique and other countries, include important subcomponents related to strengthening SPS capacities. Some of the most recent projects either approved or under preparation with important components/subcomponents on SPS capacities include: *The Agriculture Commercialization and Trade Project* (PACT) in Nepal, approved in 2009; the *Jilin Agricultural Product Safety and Quality Project* in China, with investments in food safety capacity expected to reach nearly US\$100 million, to be approved in March 2010; *The Agricultural Competitiveness and Community Development Project* in Armenia with a component on institutional strengthening for food safety and agricultural competitiveness, to be approved in 2010. The description of these projects and related documents can be found in the World Bank operational portal (<http://web.worldbank.org/>).

4. Likewise, in response to a request from the Government of Turkey, the World Bank is implementing programmatic Food Safety Technical Assistance to support the modernization and compliance of food enterprises in the process of accession to the European Union.<sup>1</sup> Also, initial discussions are ongoing regarding a possible food safety EU harmonization project in Bulgaria.

5. In-country activities have been combined with regional initiatives. An example of a recent regional initiative is the programme to control fruit fly in West Africa. In July 2008, a regional action plan to control fruit fly was validated and approved by ECOWAS Members in Bamako. A study funded by the European Commission proposed operations in eight West African countries but did not include an estimated budget, a breakdown of activities between the regional and national levels, or an institutional implementation mechanism. To remedy these shortcomings, the World Bank, using funds available in the EU trust fund and the Standard Trade and Development Facility (STDF) co-financed a complementary study which addresses these issues and proposes a more complete and budgeted regional action for all ECOWAS member countries. The programme to control fruit fly in ECOWAS members will start in 2010 and the World Bank is working with the STDF in defining the World Bank supervisory role in the technical capacity building component of the project.

(b) Publications/Guidelines

6. During the last few years, the World Bank implemented, with donor support, a research programme on the challenges associated with standards, market access and smallholder farmers, and the efficacy of donor and other interventions that address these challenges. The following documents were published under the programme in 2008/2009. A synthesis report and a set of other documents are planned to be published in 2010:

- *Linking African Smallholders to High-Value Markets: Practitioner Perspectives on Benefits, Constraints, and Interventions* (<http://econ.worldbank.org/>), Jaffee *et al.* 2008; and
- *Not Yet Up to Standard: The Legacy of Two Decades of Private, Governmental, and Donor Efforts to Promote Ugandan Horticultural Exports* (<http://siteresources.worldbank.org/>), Diaz, L. Jaffee, S. Henson, S. Mugisha, J. 2009.

7. Other ongoing SPS-related analytical work/publications include:

- *Assessing the Demand for Trade-Related Food Safety and Quality Interventions in Agri-Food Chains*, Henson, S. Jensen, M. Jaffee, S., and Diaz, L. (forthcoming publication);
- Guidelines for understanding harmonization in the SPS and TBT agreements; and
- Assessment of the effectiveness of SPS capacity building programmes.

(c) Partnerships

8. Operational work on SPS issues undertaken by the Bank in partnership with other agencies includes support to the Standards and Trade Development Facility (STDF), and support to the work undertaken by the Trade and Standards Practitioners Network (TSPN).<sup>2</sup> The World Bank supports

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<sup>1</sup> On 1 December 2009, the *Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community* (done at Lisbon, 13 December 2007) entered into force. On 29 November 2009, the WTO received a Verbal Note (WT/L/779) from the Council of the European Union and the Commission of the European Communities stating that, by virtue of the *Treaty of Lisbon*, as of 1 December 2009, the European Union replaces and succeeds the European Community.

<sup>2</sup> TSPN is a community of practitioner organizations seeking to facilitate a more effective flow of information and experiences among a diverse group of interested organizations and analyze the work of

regular STDF work and is an active participant in STDF working groups meetings and STDF policy meetings. In the case of the TSPN, the World Bank provides financial support through the Grant Development Facility (GDF), and it is an active member of the Steering Committee. TSPN has undertaken a set of activities since October 2008, as presented below:

- **Research and Conference on "Governmental Use of Voluntary Standards"** - the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance. In July 2008 a research programme was initiated by TSPN member in close consultation with other TSPN members. The theme of this research was "governmental use of voluntary standards". A conceptual framework was developed and eight case studies were undertaken, representing a spectrum of countries and standards. On 16-17 October 2008, a conference was organized in Geneva to discuss and initially disseminate the findings of this research and to identify follow-up activities. In total, about 80 persons participated. The conference report and the case studies are available at:  
<http://www.isealalliance.org/resources/document/r079-government-use-voluntary-standards-report>
- **International Conference on "Assessing Costs, Benefits and Impacts of Compliance with Agricultural, Forestry and Food Related Standards"** - On 9-10 December 2008, an international conference took place in Berlin on "Assessing Costs, Benefits and Impacts of Compliance with Agricultural, Forestry and Food related Standards". This event was co-organized by the German Organization for Technical Cooperation (GTZ) and the TSPN. The event examined the current state-of-the-art in measuring the impacts of standards systems at micro (farmer/firm) level, in supply chains, in relation to trade. Different methods were reviewed and strengths and limitations were highlighted. Approximately 50 researchers and development practitioners took part in this conference. A summary note on this conference can be found at:  
<http://www.tradestandards.org/en/Article.65.aspx>.
- **Tool development** - In its efforts to improve standards-related technical assistance, the TSPN is currently supporting the preparation of a framework for systematic comparison of standards-related technical assistance interventions on the basis of the value chain approach. As part of the work, a review of donor and practitioner practices for monitoring and evaluating interventions is being prepared. The results of this work will be presented at a conference of the TSPN to be held in spring 2010.
- **E-Discussion** - During the period 4-10 November, the TSPN undertook an e-dialogue on *What Decision Makers in Developing Countries need to turn Voluntary Standards into Catalysts for Market Integration and Development*. A second round was held on 30 November to summarize and evaluate the findings.
- **TSPN Newsletter** - The TSPN published a bimonthly electronic newsletter, to disseminate news on standards-related issues.

(d) Awareness creation/raising and training

#### **E-learning course— Standards and Trade: Principles and Applications - 1-30 June 2009**

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membership interventions to develop best or better practices that will enhance developing country capacity to implement market standards.

9. The World Bank Institute (WBI) course aimed to increase the awareness and dialogue among policy makers, regulatory agencies, NGOs, private companies, and other stakeholders on the fundamental concepts and principles of standards and how these are implemented in the market. About fifty participants took part in the course.

### **Climate Change and Agricultural Trade: Risks and Responses**

10. The Development Research Group-International Trade and the STDF held a seminar on the topic on 22-23 September 2009. The event highlighted the effects of climate change on agricultural sustainability and safety, and agricultural trade trends between developed and developing countries, with a focus on standards and regulatory systems as they relate to animal, plant, and human safety. The seminar was attended by over 100 representatives from international organizations, regulatory and development agencies, research, academia and the private sector. Discussions on the first day focused on the connections between climate change, agricultural trade and food security. Predictions show that temperature changes and extreme weather events will negatively impact agricultural production in many regions, and that parts of Africa and South Asia are likely to suffer most. The second day of the seminar focused on SPS risks and responses to climate change.

### **East Asia and Pacific (EAP) Regional Agribusiness Trade and Investment Conference**

11. The World Bank together with the International Finance Corporation organized the first EAP Regional Agribusiness Trade and Investment Conference "*Agroenterprise without Borders*", in Singapore on 30-31 July 2009. The objective was to initiate a multi-country, public-private, long-term effort to stimulate increased intra-regional trade and investment in the agrifood sector of East Asia, consistent with best practices in critical areas such as land-extensive agroenterprise, cluster and value chain development, and assured compliance with food safety, environmental and social standards. A total of 171 participants attended, representing a mix of public trade, development and regulatory agencies, private companies involved in agribusiness or supporting it, and civil society organizations that represent producers or processors or that focus on key themes such as sustainability. In addition to two days of presentations and discussion, the event included a working dinner jointly organized with the APEC Food Safety Cooperation Forum to discuss public-private collaboration for food safety.

(e) Other standard-related activities (not specifically related to SPS issues)

12. In response to growing concerns over climate change, consumers and firms in developed countries are considering their carbon footprint. Carbon labeling is being explored as a mechanism for greenhouse gas emission reduction primarily by private actors. The World Bank has supported some research initiatives aimed at discussing the carbon accounting activities and carbon labelling schemes that are being developed to address these concerns with a view to their impact on small stakeholders. The work has led to the preparation of the following documents:

- *Carbon Footprints and Food Systems: Do Current Accounting Methodologies Disadvantage Developing Countries?* Brenton, P., G. Edwards-Jones, M.F. Jensen, K. Plassmann, A. Norton, and N. Attarzadeh. Draft Paper.
  - *May Carbon Labeling Be Development-Friendly? - Recommendations on How to Improve Emerging Schemes.* Forthcoming.
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