



Committee on Sanitary and Phytosanitary Measures

**REPORT
WORKSHOP ON CONTROL, INSPECTION AND APPROVAL PROCEDURES
(ARTICLE 8 AND ANNEX C OF THE SPS AGREEMENT)
MONDAY, 9 JULY – TUESDAY, 10 JULY 2018
WTO, CENTRE WILLIAM RAPPARD, GENEVA**

NOTE BY THE SECRETARIAT¹

The Secretariat of the World Trade Organization held a workshop on SPS control, inspection and approval procedures in Geneva, Switzerland, on 9 and 10 July 2018.

The WTO funded the participation of 32 governmental officials from developing country Members and Observers in the workshop, with assistance from the Doha Development Agenda Global Trust Fund (DDAGTF).² Sponsored participants were selected from 249 applications. In addition, the WTO covered the participation of four external speakers. More than 150 participants attended the workshop, including Geneva- and capital-based delegates and representatives from intergovernmental organizations.

Members were invited at several stages to make comments on the programme and to put forward names of speakers, and their proposals and suggestions were considered in preparing the programme. The final programme for the workshop is contained in G/SPS/GEN/1613/Rev.2, and the presentations are available via the SPS Gateway at https://www.wto.org/english/tratop_e/sps_e/workshop910718_e.htm.

1 OBJECTIVE OF THE WORKSHOP

1.1. The objective of the workshop was to bring together officials responsible for implementing the SPS Agreement, as well as the relevant international standard-setting bodies and other international organizations, for discussion and experience sharing on international rules and guidance on SPS control, inspection and approval procedures, and their national implementation and application. More specifically, the workshop provided an opportunity to:

- Exchange information on Members' experiences (challenges, best practices, lessons learned) in SPS control, inspection and approval procedures;
- Review the relevant provisions of the SPS Agreement – Article 8 and Annex C – as well as related jurisprudence and SPS Committee discussions;
- Explore how the WTO's Trade Facilitation Agreement applies to SPS control, inspection and approval procedures, and discuss international initiatives on trade facilitation; and
- Inform participants about ongoing work in Codex, OIE, and IPPC.

2 OVERVIEW OF WORKSHOP

2.1. Throughout the two-day workshop, participants benefited from detailed presentations and discussions on Members' implementation of Article 8 and Annex C of the SPS Agreement to identify ways to facilitate safe trade through streamlined and efficient SPS controls. Highlights included:

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

² Since 2016, WTO-funded workshop participants are no longer sponsored to participate in the SPS Committee meetings, in addition to their attendance at the workshop.

- Control, inspection and approval procedures should not cause unnecessary delays, costs and uncertainty as SPS agencies protect food safety, animal and plant health;
- Members are encouraged to use international standards (Codex, OIE, IPPC), improve transparency, streamline SPS processes and use risk-based approaches;
- Automation and modern techniques (electronic certification, single windows, automated predictive models, etc.) coupled with regulatory modernization can greatly expedite and improve the integrity and efficiency of SPS control, inspection and approval procedures;
- Dialogue across SPS agencies, and with customs, at national level is vital to promote synergies. SPS agencies should be part of national trade facilitation committees; and
- Border controls are as efficient as their weakest link. Traditionally, customs offices have benefited from larger investments than SPS agencies, and it is crucial to optimize available resources for SPS capacity development.

3 WORKSHOP SESSIONS

3.1 Overview of the International Framework (Session 1)

3.1. **Session 1** provided an overview of international rules and guidelines applicable to SPS control, inspection and approval procedures. **Mr Rolando Alcalá** from the WTO Secretariat outlined the relevant provisions of the SPS Agreement - Article 8 and Annex C - as well as related jurisprudence. Participants were informed that any procedure to check and ensure the fulfilment of SPS measures – such as sampling, testing and certification – was covered by Annex C. Referencing the relevant provisions and Panel/Appellate Body interpretations, Mr Alcalá explained that SPS control, inspection and approval procedures should not be unnecessarily lengthy, burdensome or expensive, or discriminate against imports. Participants commented actively on the relevant provisions and jurisprudence, and expressed a special interest in continued exchanges on undue delays.

3.2. Subsequently, **Mr Darlan Marti** also from the WTO Secretariat outlined the WTO's Trade Facilitation Agreement (TFA), explaining how the Agreement linked to and complemented the SPS Agreement in the area of control, inspection and approval procedures. Such links and complementarities could be found in the TFA's provisions on transparency, test procedures, or fees and charges levied in connection with imports and exports, among others. Mr Marti underscored that facilitating border procedures under the TFA did not undermine Members' right to enforce measures necessary to protect human, animal and plant health in accordance with the SPS Agreement.

3.3. The session pursued with presentations by Codex, OIE, and IPPC, describing relevant work in their respective organizations. **Mr Patrick Sekitoleko** (Codex) explained that most work in this field took place in the Codex Committee on Food Inspection and Certification Systems (CCFICS), which developed guidance on food control systems and their monitoring, accreditation, inspection and certification. Mr Sekitoleko outlined emerging issues and future directions for the work of CCFICS – such as an increased focus on controls of food integrity/authenticity – and invited Members to inform Codex, prior to the next CCFICS meeting in October 2018, about any topics they wished to include in the committee's discussion paper on emerging issues.

3.4. **Ms Ann Backhouse** (OIE) explained that the key animal health standards relevant to control, inspection and approval procedures were included in Section 5 of the Terrestrial and Aquatic Animal Health Codes, which dealt with trade measures, import/export procedures and veterinary certification. In addition to the above-mentioned horizontal standards, the OIE's disease specific (vertical) standards also commonly addressed control, inspection and approval procedures, providing guidance on procedures for diagnostic testing and inspection, among others. She also outlined the OIE's work to identify and address challenges that countries faced in implementing its standards, including the OIE Observatory, an ongoing project to monitor implementation of OIE standards.

3.5. **Ms Ketevan Lomsadze** (IPPC) outlined the International Standards for Phytosanitary Measures (ISPMs) that provided guidance on phytosanitary control, inspection and approval procedures. She described the ISPMs addressing export certification systems and the regulation of consignments in transit, as well as the related implementation guides. Ms Lomsadze also pointed to ISPMs under development, in particular one to authorize entities other than NPPOs to perform

specific phytosanitary actions such as inspection, testing, surveillance and treatment. When asked about the coexistence between international standard-setting bodies and private standards, speakers clarified that their organizations worked closely with relevant stakeholders to reduce duplications and costs.

3.2 The Rationale behind Annex C (Session 2)

3.6. **Session 2** of the workshop gave an overview of past Committee discussions on control, inspection and approval procedures, and highlighted the economic rationale for strengthening the implementation of Annex C to reduce trade transaction costs. **Ms Hanna Vitikkala** from the WTO Secretariat gave an overview of specific trade concerns, notifications, and Committee discussions on Annex C of the SPS Agreement, and **Mr Erich Kieck** from the World Bank Group shared the Bank's economic analyses to measure the benefits of implementing the Trade Facilitation Agreement. Mr Kieck referenced the World Bank's Trading Across Borders methodology and Doing Business report, which recorded time and costs associated with traded goods. Mr Kieck noted that improvements in the areas of formalities, availability of trade-related information, and the possibility to request advance rulings – measures to enhance certainty and predictability – appeared to generate the greatest cost savings.

3.3 Implementation of Annex C (Session 3)

3.7. **Session 3** aimed to identify good practices in the application of SPS control, inspection and approval procedures, to facilitate safe trade. It included lessons learned from SPS capacity development initiatives, as well as practical experiences from developed and developing country Members. **Ms Martha Byanyima**, from the COMESA Secretariat, presented a case study extracted from an STDF-funded project, assessing the costs of SPS control, inspection and certification requirements applicable to UHT milk exports from Uganda to Kenya. While recognizing remaining challenges (e.g. delays, lack of awareness of procedures among traders), she also identified opportunities to promote safe and efficient trade, including interagency collaboration, synchronization of border agencies' working hours, or use of easily accessible channels, such as trade information desks or leaflets, to inform small scale traders about SPS controls.

3.8. **Ms Marlyne Hopper**, from the Standards and Trade Development Facility (STDF) Secretariat, described regional research work commissioned by the STDF that had assessed the practical application of SPS controls and inspections in selected countries in Southeast Asia and Southern Africa. Procedural obstacles such as excessive document requirements or multiple inspections remained, but the research had also resulted in greater understanding about the links between SPS and trade facilitation, as well as in identifying win-win opportunities to facilitate safe trade through increased transparency or using risk-based approaches. STDF's film "Safe Trade Solutions" depicted border control procedures in Argentina, Chile, Colombia and Peru to facilitate trade while maintaining effective SPS protection. **Ms Andrea Bravo**, Argentina, and **Ms Alejandra Estrada**, Chile, updated participants on a border co-operation arrangement between their countries, described in the film.

3.9. In a second part of this session, several Members presented on their experiences in implementing Article 8 and Annex C of the SPS Agreement. **Mr John Mc Evoy** outlined the EU's systems-based audits to assess the performance of competent authorities within and outside the European Union in enforcing EU rules. By concentrating on control systems rather than individual facilities/establishments, the systems audit approach had a positive impact on the performance of competent authorities within and outside the European Union, increasing efficiencies, transparency and consumer trust (the audit work programme and reports were available online).

3.10. **Ms Mara Burr** presented on PREDICT, a risk-based screening tool for imports used by the US Food and Drug Administration (FDA). The system facilitated import screening and targeting by data mining and open source intelligence, and performed automated reviews of administrative and regulatory requirements. It assigned a risk score to shipments, thereby facilitating automated releases of non-violative goods and giving border inspectors more time to evaluate higher risk products.

3.11. **Mr Linye Cong** updated participants on China's recent reforms in the inspection and supervision systems of food imports, which had been centralized under the country's general

customs administration. China managed a growing volume of food and agricultural imports, while streamlining inspections and laboratory sampling, allowing for a rapid release of goods.

3.12. The next day, **Mr Fred Gorrell** presented on Canada's modernization of its approach to SPS inspections through risk assessment models underpinned by databases and mathematical algorithms, which assigned a preliminary risk profile to establishments/consignments. This system supported resource allocation and priority setting, allowing inspectors to address an increasingly complex landscape of evolving food and agricultural products and global supply chains.

3.13. **Ms Tugba Adiguzel Kargin** described Turkey's inspection system for animals and animal products. She outlined the country's legislative and regulatory framework, and explained the conditions to be met to be included in Turkey's list of countries and establishments to export animals and animal products, as well as the related documentary requirements. **Mr Kenneth Msiska**, Zambia, outlined a collaboration agreement whereby the NPPO delegated phytosanitary documentary checks to customs. Customs officials trained on phytosanitary certificates, plant import permits, fumigation certificates, etc., knew which consignments could pass the border without a certificate in accordance with ISPM 32, and had specimen signatures from exporting countries' NPPOs to facilitate documentary checks. Delegation of NPPO authority, coupled with joint inspections and effective collaboration with other border agencies, had resulted in faster clearance times, while at the same time maintaining an appropriate level of phytosanitary control.

3.14. **Ms Delilah Cabb Ayala** outlined relevant legislation and regulations on SPS controls, inspections and approvals in Belize. She also drew participants' attention to third-party certification schemes faced by Belize's agricultural exporters, noting that fees to adhere to these schemes, as well as transparency and communication related issues, still presented unresolved questions. Ms Cabb Ayala called for further work to define how third-party certification schemes could best co-exist with official control systems without marginalizing competent authorities in exporting countries.

3.4 Annex C in the digital world (Session 4)

3.15. **Session 4** was dedicated to electronic SPS certification. **Ms Ketevan Lomsadze** reported on progress with the IPPC's ePhyto project to facilitate safe trade and reduce transaction costs through a new electronic system to exchange phytosanitary certificates. The pilot phase for setting up this system – called the "Hub" - ended in March 2018, and adherence to the system was open to all IPPC contracting parties. Developing countries without their own systems could benefit from a generic off-the-shelf system (generic national system or GeNS) to exchange electronic phytosanitary certificates. The GeNS system development was completed in July 2018, with a pilot phase expected to begin by September 2018. Ms Lomsadze noted, alongside several other speakers and participants, significant benefits emanating from e-certification, including national efficiencies, improved security, and expedited clearance of commodities.

3.16. **Ms Rosine Uwamariya** from UNCTAD outlined Rwanda's e-portal launched in 2015 to process import/export permits and SPS certificates. She explained how traders and competent authorities communicated and exchanged documents through the portal, creating efficiencies and increasing predictability. Ms Uwamariya also explained how the e-portal automatically transmitted information about approved certificates to the country's Electronic Single Window, supported by ASYCUDA, an integrated customs management system developed by UNCTAD.

3.17. **Mr Patrick Sekitoleko** and **Ms Ann Backhouse** briefly updated workshop participants on their respective organizations' work in the field of e-certification. Mr Sekitoleko explained that CCFICS had been working on an e-certification guidance note since 2017 and that the proposed draft text would be available for comments on the CCFICS24 website by September 2018. Ms Backhouse gave updates on an ongoing STDF project, implemented by the OIE, to assess the use of e-certification for trade in animals and animal products. This project aimed to assess the use of animal health e-certification in international trade, and to assist developing countries to better engage in such trade by facilitating their understanding of e-veterinary certification and its implementation.

3.18. The workshop also benefited from three presentations describing national implementation of e-certification systems. First, **Mr Jay Mitchell** reported on the US experience in implementing

electronic phytosanitary certificates. He outlined the country's Phytosanitary Certificate Issuance and Tracking (PCIT) web-based system, which tracked the inspection of agricultural commodities and certified compliance with plant health standards of importing countries. Mr Mitchell noted that a well-functioning e-certification system required a solid infrastructure both on the phytosanitary and technical fronts. Effective interagency cooperation, political will, and sustainable financing were also crucial.

3.19. **Ms Claudia Dantas** from Brazil explained her country's partly electronic document submission and sanitary/phytosanitary certification system. A project initiated in 2018 to create a platform to issue and exchange electronic certificates was paving the way for fully electronic certificate exchanges by 2021, concerning which Brazil was already consulting its trade partners.

3.20. **Mr Philippe Loopuyt** outlined the EU's experience in e-certification. He spoke about electronic signatures, required for valid electronic document exchanges, and their implementation in the EU's online certification system TRACES. Electronic signature for phytosanitary certificates and EU entry documents was available since 2018; and foreseen to be available by July 2019 for veterinary certificates.

3.21. All speakers of the session underscored the benefits of e-certification, including reduced costs, improved security and expedited clearance of commodities. Developing countries' technical assistance needs were recognized and the IPPC's ePhyto project widely commended. Participants expressed a high interest in electronic certification, and several speakers queried about possibilities to integrate SPS certificates for animal and plant health.

3.5 Opportunities to mobilize resources for SPS capacity building to support the implementation of Annex C (Session 5)

3.22. The workshop closed with a roundtable moderated by **Mr Melvin Spreij** from the STDF, in which **Mr Erich Kieck** (World Bank Group), **Ms Pamela Ugaz** (UNCTAD), **Mr Pierre Bonthonneau** (International Trade Centre), **Ms Milena Budimirovic** (World Customs Organization), and **Ms Sheri Rosenow** (WTO) discussed their organizations' ongoing capacity building programmes. Panellists pointed out to synergies between SPS and trade facilitation, highlighting opportunities to leverage resources available for trade facilitation to strengthen the implementation of Annex C, as long as SPS agencies were appropriately integrated in trade facilitation work and national priority setting. These resources included the WBG's trade facilitation support programme, the UNCTAD's empowerment programme for national trade facilitation committees, the ITC's trade facilitation and quality for trade programme, the WCO's Mercator programme, and the WTO's Trade Facilitation Agreement Facility. Speakers agreed that effective coordination between the different initiatives was key, as was the clear sharing of responsibilities between development partners and beneficiaries.

3.23. **Ms Delilah Cabb Ayala** and **Ms Martha Byanyima** summarized days 1 and day 2 of the workshop, and the outgoing Chairperson **Mr Marcial Espinola** concluded the workshop and thanked participants for active and fruitful discussions.
