



# AID-FOR-TRADE CASE STORY

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

## Initiative for the Americas on Sanitary and Phytosanitary Measures

**Title:** Initiative for the Americas on Sanitary and Phytosanitary Measures

**Implementation period:** October 2002 – October 2008

**Date of submission:** January 2011

**Region:** the Americas

**Participating countries:** 34 countries (Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint. Kitts and Nevis, Saint. Lucia, Saint. Vincent and the Grenadines, Suriname, Trinidad and Tobago, United States of America, Uruguay and Venezuela)

**Type:** Project

**Author:** Inter-American Institute for Cooperation on Agriculture (IICA)

**Address:** 55-2200 San Jose, Vasquez de Coronado, San Isidro, 11101, Costa Rica

**Telephone:** 506-22160184

**Contact info:** [Ricardo.Molins@iica.int](mailto:Ricardo.Molins@iica.int) [Erick.Bolanos@iica.int](mailto:Erick.Bolanos@iica.int)

## **A. Summary**

In early 2000 IICA set out to determine the level of participation of its member countries in the work of international organizations involved in multinational sanitary and phytosanitary measures (SPS). The lack of institutional capacity was identified as one of the problems that was seriously limiting the countries' participation in international trade. Because many of IICA's member countries did not have the institutional framework required to enjoy the benefits of and fulfill the obligations required by the Multilateral Trade System, they were forced to "watch from the sidelines" as others engaged in international trade.

At that time, the countries were very actively involved in negotiating, approving and administering trade agreements, which is still true in some countries today. In those trade agreements, all provisions related to SPS must be in compliance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and the work the three relevant standard-setting bodies (Codex Alimentarius, IPPC and OIE). Consequently, in 2002 IICA began a six-year project aimed at strengthening national institutional frameworks responsible for SPS at the international level. Its strategy was based on exchange of successful experiences, identification and delegation of institutional responsibilities, and creation or strengthening of the institutional infrastructure required to monitor matters related to SPS at the international level and enable the countries to attend meetings of the SPS Committee of the World Trade Organization (WTO).

The Initiative facilitated the participation of 230 specialists from 32 countries in 19 meetings of the SPS Committee of the WTO between October 2002 and October 2008, promoted the creation of national SPS committees and fostered interinstitutional and intersectoral articulation in the area of SPS. In addition, the Initiative provided many lessons in the area of institution building, and can serve as a point of reference for future projects aimed at promoting participation in international bodies.

### Issues addressed

The project addressed institution building, involvement in international SPS fora, access to markets through the defense of trade interests, and development of capacities required to understand and implement the SPS Agreement of the WTO.

### B. Origin, objective, design and implementation

The objective of the Initiative was to promote IICA's member countries involvement in international SPS-related bodies, so as to enable them to participate in the negotiation and approval of international standards, directives and recommendations, more actively defend their trade interests, and comply with various international agreements related to SPS.

The project was launched with funds donated by the United States Department of Agriculture (USDA). The initial capital was donated to allow the countries to attend three meetings of the SPS Committee of the WTO. However, it soon became evident that the required institutional capabilities could not be developed in three meetings (one year), and that the project should be long term. Following this initial effort, IICA funded the remaining five years of the project.

The recognition of the fact that even some countries with high incomes had low levels of institutional development in the area of SPS and thus needed assistance from the project was fundamental in expanding the number of countries to be benefited. Additionally, it was recognized that developing countries with more experience and capacities on SPS matters at the international level could have a positive impact on the project by sharing the lessons they had learned with less advanced countries.

A country that participates actively: i) acknowledges that the SPS Committee and its meetings are important for its national interests; ii) there has been interinstitutional and/or intersectoral articulation to define country positions; iii) the country's position has been presented, verbally or in writing, at the meeting; and iv) partnerships, when needed, have been formed to support the country's position

#### Original strategy for achieving the objective:

- i) Secure necessary funding
- ii) Involve certain countries with limited institutional and financial resources
- iii) Support their participation in the SPS Committee of the WTO

#### Final strategy for achieving the objective:

- i) Secure necessary funding
- ii) Involve all IICA member countries (six of them providing horizontal cooperation to the other 28)
- iii) Participate actively in the SPS Committee of the WTO and build national SPS-handling institutions

Another key factor that contributed to a change in the strategy initially adopted was the recognition that facilitating the participation of countries in international bodies—in this case the SPS Committee of the WTO—should not be an end in itself, but rather a means for developing institutional capacities, and that such participation should be active, not passive.

IICA specialists stationed in many of its member countries provided support in implementing and following up on the project. This was another key factor that contributed to the success of the project in some countries and showed that, for this type of activity, the impact and value of on-site follow-up is more valuable by far than reports on participation.

Implementation of the project benefitted greatly from the institutional structure provided by IICA and from a number of requirements that countries were required to follow to benefit from the Initiative:

- a. A profile was prepared to aid in the selection of country delegates.
- b. Sanctions for misusing the project were established (although they never had to be applied).
- c. The countries were required to submit reports before and after meetings.
- d. The roles and responsibilities of IICA (as implementing agency) and the countries (beneficiaries) were defined.
- e. It was agreed that benefits would be reduced over time to transfer the financial responsibility to the countries, so as to ensure sustainability. In the beginning, the project financed two delegates per country from 32 countries; at the end, 0.5 delegates from 28 countries.

These requirements set the ground for an orderly implementation of the project and were aimed at promoting internal dialogue and selecting the delegate properly.

During implementation, the following actions were conducted:

- a. The countries were encouraged to hold meetings before and after those of the SPS Committee of the WTO: before the meeting to foster national dialogue on the agenda and after the meeting to report to stakeholders on the results of it.
- b. “Hemispheric” reunions of all delegates from beneficiary countries were held in Geneva prior to every SPS Committee meeting to discuss the agenda and seek consensus.
- c. The countries exchanged successful experiences on mechanisms for managing international SPS issues at the national level. South-south transfer of experiences was exceptionally successful.
- d. Other capacity-building activities were conducted in parallel to the project. While not a part of the project, these activities pursued the same objectives and were aimed at the same institutions. For example, the WTO held regional training courses on SPS, with support from IICA. In the first specialized workshop on SPS taught by the WTO—which was also supported by IICA—many of the participants were beneficiaries of the project.

- e. An information system was created to keep all participants informed of important documents, meetings, etc.
- f. Mobilization of experts from Steering Group countries for special activities was available and facilitated by IICA when requested by the countries.
- g. The countries were encouraged to create or strengthen their national SPS Committee to address international SPS matters at the local level.
- h. The topics addressed by the SPS Committee were brought to the attention of existing national and regional agencies handling IPPC, OIE and Codex Alimentarius issues, to show the importance of articulating all those involved in SPS matters in the country and in the region.
- i. The countries' missions to Geneva were encouraged to become more involved to ensure full interinstitutional and intersectoral articulation between ministries of agriculture, trade, and health, the private sector, and the missions. It should be pointed out that if the capital-based experts could not attend a particular meeting of the SPS Committee, the project required that the country's Geneva mission be fully informed about the agenda and the country's position.

These requirements for implementation and technical strategies had a different impact in each country in terms of the type and amount of investments made in SPS-handling institutions, and for how long.

### **C. Problems encountered**

There are several factors in a country, or even a region, which directly impact on access to international markets. One of them—which unfortunately receives little attention from cooperation agencies—is the need for an institutional framework able to address SPS matters at the international level. Many countries of Latin America and the Caribbean have not been active participants in multilateral standard-setting bodies. As a result, rather than participating in the negotiation process inherent to the development of such standards, those countries simply have had to accept them. The need to change this situation led to the formulation and implementation of the Initiative for the Americas on SPS.

### **D. Factors for success/failure**

#### Factors for success:

- a. The presence of IICA specialists in many participating countries ensured follow-up and verification of actions taken and reported by the countries. The ability to provide verification and follow-up, and even the motivation that the implementing entity can provide, are essential to the success of this type of project. In contrast, its nonexistence becomes a factor for failure.
- b. The financial means to carry out the project over the long term. Originally, the project was to last one year. If it had, the project would have had little or no impact. The development of institutional capabilities proved to be a long-term undertaking, given all that is involved and the substantial changes that must be made in the countries to achieve self sufficiency.

- c. Institutional partnerships. The support of the WTO in carrying out parallel actions such as regional SPS workshops in pursuit of the same objectives as the Initiative was determinant.
- d. Leadership by national specialists (delegates) trained by the project is a factor for success, since he/she can bring about important and positive changes in the institutional environment, establish strategic ties with delegates from other countries, secure external resources, position the country in an SPS forum, and secure training opportunities for personnel in his/her country. The lack of such leadership, in turn, can become a factor for failure.
- e. Appropriation of the project by the beneficiary country and supporters of the project is also critical. The creation of a Steering Group, comprising Argentina, Brazil, Canada, Chile, Mexico and the United States, was fundamental in identifying and sharing successful experiences, as was the financial, technical and institutional support they gave to the project. The countries that took ownership of the project saw positive results, and this depended greatly on the leadership of the particular individuals (i.e., delegates) receiving the benefits of the project.

Factors for failure:

- a. Political influence. This is, without a doubt, the most important factor for failure. Not only can it make it impossible to achieve the established objective, but also bring to naught an objective already achieved. Political considerations can hinder success in many ways:
  - I. Political influence may lead to the most suitable delegate not being chosen to represent the country.
  - II. The failure to allocate human, institutional and financial resources to appropriately handle SPS issues because these issues are not considered important.
  - III. Changes in the makeup of the delegation, which means going back to square one, and interrupting the process of acquisition of negotiating skills.
  - IV. Politicians or decision makers not supporting the institution-building process (i.e., the National SPS Committee), considering it to be unnecessary. (In the view of the project, an SPS committee can be formal or informal, *ad hoc* or as simple as the having the various institutions responsible for matters related to SPS at the international level dialogue with other national institutions to develop positions of interest to the country.
- b. The lack of minimal institutional infrastructure. This was one of the situations the project was intended to remedy. Many countries that had no institutional structure to address matters related to SPS at the international level and therefore had also very limited capacity to take advantage of the project. When there was some success in those countries, it depended usually on the leadership of some individual and was not long-lived.

**E. Results achieved**

The Initiative demonstrated that the countries with sustainable institutional structures were more prepared to manage matters related to SPS at the international level and enjoy the advantages offered by the multilateral system. In addition, the project succeeded in promoting the development of such a structure in many IICA member countries, but initial success proved not to be sustainable in all of them. Countries such as the Dominican Republic, Honduras, Belize, Costa Rica, Panama, Colombia, Ecuador, Peru, Uruguay and Paraguay have benefited over time from having institutional structures that enable them to monitor effectively the work of the international SPS bodies. In some of these countries it has been possible to establish a formal or informal National SPS Committee, while in others coordination among their institutions has been increased, with each assuming certain responsibilities. In some cases, there have been fluctuations in terms of the results of the work of these committees, in large part due to political decisions that increase or reduce support for these Committees.

As a result of the project, the countries of Latin America and the Caribbean now have a presence, technical and political, in the SPS Committee of the WTO, enabling them to obtain positive results in trade disputes and in defending and negotiating positions. Even small countries that are not major players in the international food trade were able to ensure the discussion of important topics by the committee, such as Saint Vincent and the Grenadines did on the issue of “private standards.”

The project also enabled a considerable number of national specialists to increase their technical capacities, which had a positive impact on the performance of their institutions. Furthermore, the project helped improve interinstitutional and intersectoral articulation in the countries and even changed the culture of certain institutions that had been reluctant to collaborate at the national level with other institutions on topics addressed by the SPS Committee of the WTO.

Thanks to the project, five fundamental variables that help the countries manage matters related to SPS at the international level and participate actively in international bodies were identified and strengthened. These fundamental variables were first presented to the SPS Committee in document G/SPS/GEN/497 in June 2004. The five fundamental variables are:

- a. **Mechanisms for coordination:** Refers to the national forum which brings together the public-sector ministries and representatives of the private sector to discuss matters addressed by the SPS Committee of the WTO.
- b. **Human resources assigned responsibility for the topic:** Refers to the attention given to personnel assigned to monitoring the work of the SPS Committee of the WTO.
- c. **Coordination between the capital and the mission in Geneva:** Refers to the level of interaction between the capital and the country’s mission in Geneva.
- d. **Priority assigned to the topic:** Refers to the level of support given by national authorities to the development of national capacities in the area of SPS.
- e. **Financial and technical resources:** Refers to the country’s financial capacity to perform certain functions (e.g., operate the focal and notification points) and actions and participate actively in the SPS Committee.

## **F. Lessons learned**

The effectiveness of projects aimed at promoting the development of national SPS-handling capacities required to improve the participation of countries in international bodies can be diminished if they place all their hopes for success only or mainly on facilitating participation.

There are two components that must be present if these projects are to succeed: i) the follow-up and transfer of responsibilities, which will exist if the project is properly planned and managed, and ii) the country's commitment, assumed through its institutions, to the project. The outcome is radically different when a country views these projects as a way to improve their institutional framework over time, than when they view it only as a way to finance their international participation.

Despite having been a concern for a long time in the multilateral trade system, the need to be able to manage matters related to SPS at the international level is still not being addressed by the technical personnel of the institutional framework in many countries. Therefore, projects aimed at the development of international capacities still must change paradigms in those countries and realize that, without a solid institutional base, it is very difficult to achieve the established objectives. Thus, countries whose economies are not highly dependent on agriculture and engage in limited agricultural trade show little interest in or attach little priority investing in their SPS-related institutions. These countries require another approach to developing their capacities and participating in international bodies. For example, for some countries in the Caribbean region, a regional strategy could be the best option, rather than one aimed at developing individual institutional capacities.

It is essential for the different cooperation or assistance organizations to coordinate their actions in order to achieve the maximum desired effect. If not, over time, they can become isolated, well-intentioned, but mostly ineffective actions.

## **G. Conclusion ( applicability to other programs)**

- 1.** The experience gained and the critical variables for success or failure identified in this project are of great value for all those projects aimed at promoting international SPS participation.
- 2.** Projects such as the FAO/WHO Codex Trust Fund can benefit greatly from strategic partnerships that make joint effort possible or from the adoption of strategies similar to those of the Initiative for the Americas on SPS.
- 3.** The failure experienced in some countries points to the need to adopt a new approach, characterized by new formulas or methodologies to develop capacities needed for institutions to participate in and benefit from international SPS-related bodies and ensure sustainability.