

# **How regulatory policies, such as SPS and TBT measures affect agricultural trade**

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# Overview

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# The SPS/TBT Policy Frameworks

**Objective of SPS/TBT Policy Frameworks – to promote safe and fair trade**

SPS - promote safe trade through Food Safety, Plant and Animal Health Protection Policies/Measures

TBT - promote fair trade through technical standards, measurements (metrology), inspection, testing and certification (conformity assessment)

**Recognizing  
the right to protect  
human, animal,  
plant life or health**



**Risk based  
approaches to  
avoid unnecessary  
barriers to trade**

**Balancing health protection and trade facilitation**

# Examples of SPS/TBT Barriers and Causes

## SPS/TBT Capacity constraints translate into trade barriers and/or high trading costs

- The FAW in East & Southern Africa
  - absence of early detection and response caused huge economic losses ( evidence from IITA)
- Fruit flies and Madagascar Litchi exports
  - absence of equivalence Agreement restricted exports – bilateral agreement on import conditions opened the SA market to Madagascar Litchis
- Fruit flies and Zimbabwe stone fruit exports
  - pest interceptions disrupted RSA, EU trade - fruit fly surveillance reduced interceptions
- Micro regulatory limits in milk/milk products
  - varied regulatory limits, sampling protocols restricted cross border trade
- High trading costs in maize/maize products
  - absence of MR Agreements for CA increased trading costs – COMESA MRF for conformity assessment reduced trading costs by about 15% in 6 countries
- **Trade Barriers may arise from multiple Regional FTA frameworks**

# Free Trade Areas (FTAs) and Agricultural Trade

- Through CAADP, the region has smart agricultural and fisheries policy frameworks
- However, FTA instruments such as the Simplified Trade Regime (STR) and One Stop Border Posts (OSBPs) must be inclusive and effective in addressing the needs of small scale traders, especially women
- SPS/TBT measures must be harmonized/simplified and integrated in border management to facilitate cross border trade

## **The case of Cross Border Fish Trade (Source: World Fish)**

- More than 400 million people on the continent depend on fish as a vital source of nutrition, protein and micronutrients that are critical for childhood development
- Around 12 million Africans are employed in the fisheries sector
- Most fish trading is informal and undertaken by the most disadvantaged people, often women. It is thus underreported in many countries' national accounting systems.
- As a consequence there is an absence of strategies and enforced policies to facilitate free and quick movement of fish products across borders.



**The STR: Bicycle transporters offloading fish (tilapia imported formally from China and horse mackerel imported from Namibia) from a truck and carry smaller consignments under the STR**

# Simplifying SPS/TBT measures to reduce trading costs

- **Prioritization of agric value chains and investments, leveraging private sector investments** – the framework developed through the STDF, enabled agriculture and trade policy engagement to identify priority value chains and SPS investments, including policy and regulatory measures
  - Examples – Rwanda, Seychelles integrated SPS priorities in the NAIPs
  - Through effective AH and trade strategies/investments, Rwanda expanded beef exports by 17.5% (2016-2017)
  - Cognizant that exports are competing with domestic needs and nutrition, Rwanda Government is promoting alternative protein sources for domestic consumption
  - Health and agriculture strategies under review to ensure the beef exports drive does not undermine domestic nutrition
- **Methodology was developed to ensure SPS health protection objectives are not pursued at the cost of trade facilitation** – in collaboration with governments and the private sector, simplified, lower costs SPS/TBT measures **were integrated in the FTA regional trade policy instruments ( the STR and OSBPs)**