Challenges and benefits of equivalence recognition

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In this presentation ... 

• Why, when and how to negotiate equivalence 

• Australia’s systems covered by equivalence negotiations 

• Examples of existing agreements/arrangements in place 

• Benefits and challenges of equivalence recognition
Why negotiate equivalence

To reduce the impact of Non-Tariff Measures (NTMs) such as:

- certification requirements
- audit assessments
- border testing and inspections
When to negotiate equivalence (1) – Codex guidance


Considerations:
• Appropriateness
• Prerequisite requirements
• Likelihood of success
• Trade facilitating
• Resource savings
• Resources available and
• Commitment by both countries
When to negotiate equivalence (2) – Australia’s considerations

- Volume / value
- Overcome burdens / simplify trading
- Priorities of the trading partner
- Priorities with other trading partners
- Best mechanism
How to negotiate Equivalence Agreements/Arrangements

• Mutual or Unilateral system equivalence

• Prescriptive vs non-prescriptive agreements/arrangements

• Tangible outcomes vs opportunities to work together

• Review processes – noting that our systems are dynamic
Process for negotiating equivalence

Step 1: Foreign authority requests recognition of system as equivalent

Step 2: Description of Australia’s national food requirements provided to foreign authority

Step 3: Information and data is compiled by foreign authority

Step 4: Authority provides submission describing their national food control system against Australia’s requirements

Step 5: Australia assesses submission (incl. an in-country audit if necessary)

Step 6: Australia formalises recognition of system equivalence or provides advice to foreign authority on why it does not meet requirements
Examples of Australia’s food control system elements considered in equivalency agreements/arrangements

Food standards
Australia New Zealand Food Standards Code developed by FSANZ, including:
• product, primary production and processing standards
• packaging/ labelling requirements
• methods of risk assessment

State/Territory food regulation (requires compliance with the Food Standards Code, etc.)
• product testing
• food processing establishment / primary producer licensing / registration – approval processes, regular inspection – auditing
• Auditor/inspector skills

Laboratory testing, laboratory capabilities

Where relevant, export and food import regulation
Recognition of food control system equivalence

Unilateral
e.g. Chinese Taipei TFDA recognised Australia DAWRs dairy export inspection system

Mutual
e.g. Australia DAWR and USA FDA recognised each other’s food control systems
Examples of negotiated equivalence

Thailand seafood – foreign government certification arrangement with the Thai Department of Fisheries for seafood

Canadian seafood – foreign government certification arrangement with the Canadian Food Inspection Agency for seafood

Benefits – reduced rates of border intervention
Benefits of systems equivalence – Australian imports

Dependent on the scope of the negotiated:

• reduced border intervention;
• reduction in cost for foreign food producers;
• confidence in the produce being exported to Australia; and
• access to a greater selection of produce at lower cost for consumers.
Benefits of systems equivalence – Australian exports

Dependent on the scope of the negotiated arrangement (foods and system elements covered, authorities involved, etc.)

- reduced border intervention;
- reduction or no in-country audits; and
- access to certain ports of entry and or import pathways.
Challenges of systems equivalence

• Ensuring coherence of national food control system

• Translating national food control systems

• Resource requirements
  o with no guarantee of an outcome

• Tangible outcomes may not be achievable

• Mutual recognition may not be achievable

• Unequal outcomes
Summary

- Equivalence can be trade facilitating but many factors to consider
- There may be other options to improve access conditions
- CCFICS guidelines
- Australia has already negotiated equivalency recognition (both system and measure specific) with several countries for a range of exports
- Australia understands benefits of equivalence recognition whether for exported or imported produce
- Equivalence is one way to address the impact of NTMs
THANK YOU

QUESTIONS?