Capacity building in the Asia–Pacific Co-operation or competition?

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Australia's contribution to SPS capacity building

- **Is in Australia's national interest**
- **Focuses on the Asia–Pacific region**

Australia's contribution to SPS capacity building

- **Assists developing countries to:**
  - **Reduce poverty**
  - **Address food security concerns**
  - **Achieve sustainable development**

SPS-related assistance

- **Contributes to reducing rural poverty through:**
  - **Reducing the impact of pests and diseases**
  - **Encouraging rural development opportunities**
  - **Assisting participation in trade**

Meeting SPS requirements

- **Difficulties for developing countries due to their:**
  - **Limited technical capacity**
  - **Institutional weaknesses**
  - **Lack of financial resources**

Growth in SPS notifications

- **Increasing in high, medium and low income countries**
- **A particular problem for developing countries**

International standards of OIE, IPPC and Codex

- **Problems for developing countries:**
  - **Technical capacity to comply and to demonstrate compliance with the standards**
  - **Nature of the standards**

Costs of compliance with SPS Agreement — Jamaica

- **Revision of current laws (US$200,000)**
- **Establishment of a regulatory authority (US$6 million)**
- **Upgrading and equipping existing laboratories and provision of training for staff (US$500,000)**
- **Conduct of pest surveys, surveillance and monitoring (US$250,000)**

Costs of compliance with SPS Agreement — Jamaica

- **Establishment of an enquiry point (US$150,000)**
- **Creation and strengthening of inspection facilities at ports of entry and exit (US$500,000)**
- **Funding for participation in standard-setting meetings, and the Committee on SPS Measures (US$30,000)**

Costs of compliance with SPS Agreement — Jamaica

- **Total estimated cost:**
  - **US$7.6 million**

Examples of SPS capacity building

- **Malaysia - development of screw worm fly facility and associated activities**
- **Indonesia - FMD disease surveillance project**
- **PNG/Irian Jaya - AusAID capacity building project in animal and plant quarantine**
- **Republic of Korea - technical assistance with FMD epidemiology and control**
- **Bali - Japanese encephalitis project**

Examples of SPS capacity building

- **Lao PDR - aquatic animal health in Southern Lao PDR**
- **China and Thailand - AAHL FMD projects**
- **Thailand - training of plant scientists in pest risk analysis**
- **ASEAN countries - assessing the needs of anthropod pest collections and herbaria**

Examples of SPS capacity building

- **Indonesia - rehabilitating an anthropod pest collection**
- **Regional countries - developing an on-line network for exchanging information on the identification and management of plant pests**

Benefits of SPS capacity building — Partner countries

- **Improved animal and plant health infrastructure and human resource development**
- **Improved agricultural productivity and food security**
- **Reduction of rural poverty**
- **Ability to participate more fully in trade, particularly between ASEAN countries**

Benefits of SPS capacity building — Partner countries continued

- **Ability to contribute to SPS and international standard setting process**
- **Development of scientific/biosecurity networks and exchange of information**
- **Greater trade harmony**

Benefits of SPS capacity building — Australia

- Improved political stability in region
- Stronger pre-border controls against pest and disease incursion
- Experience with diagnosis, eradication and control of exotic pests and disease for Australian scientists and quarantine staff
- Facilitation of trade for Australian exporters due to better understanding/operation of quarantine system

Benefits of SPS capacity building — Australia continued

- Diffusion of regional trade disputes
- Exchange of information and development of professional networks
- Consumer gains due to cheaper overseas products/greater variety/off-season availability

Costs of SPS capacity building — Partner countries

- **Losses to domestic producers through increased competition from other developing countries**
- **Risk of disease incursions through trade**
- **The need for assistance to traditional producers who may be disadvantaged by the development of more export-oriented industries or increased competition from imports**

Costs of SPS capacity building — Australia

- **Losses to Australian producers from increased competition from developing countries in third country markets and on the domestic market**
- **Possible challenges to Australia's SPS system by developing countries as a result of their enhanced SPS capacity and knowledge of the WTO dispute system**

Changes in comparative advantage

- **SPS capacity building will change countries' comparative advantage**
- **Other factors include:**
  - **changes in the natural resource base**
  - **introduction of new technology**
  - **development of new productive areas**
  - **changes in demand**

Conclusions

- **Trade is the best form of aid**
- **SPS barriers impede trade**
- **Assistance to developing countries contributes to a 'level playing field'**

Conclusions continued

- **Australia's SPS capacity building program helps developing countries:**
  - **Reduce rural poverty**
  - **Improve animal and plant health status**
  - **Access regional and global trade opportunities**
  - **Participate more fully in the SPS and international standard setting frameworks**

Conclusions continued

- **Australia's SPS capacity building program benefits Australia by:**
  - **Improved market access**
  - **Stronger pre-border controls and better 'early warning' systems of potential pest and disease threats off-shore**
  - **Diffusion of regional trade disputes**