REGIONAL APPROACHES IN CENTRAL ASIA TO TECHNICAL BARRIERS TO TRADE
REGIONAL APPROACHES IN CENTRAL ASIA TO TECHNICAL BARRIERS TO TRADE
REGIONAL APPROACHES IN CENTRAL ASIA TO TECHNICAL BARRIERS TO TRADE

United Nations publication
Copyright © United Nations 2008
All rights reserved
Trade and Investment Division
United Nations ESCAP
Bangkok, Thailand
ST/ESCAP/2490

Cover design by Wichien Chaleowkraiit

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

References to dollars ($) are to United States dollars, unless otherwise stated.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Country names appearing in citations may have been changed to comply with standard United Nations terminology.

All material in this publication may be freely quoted or reprinted, but acknowledgement is requested, together with a copy of the publication containing the quotation or reprint. The use of this publication for any commercial purpose, including resale, is prohibited unless permission is first obtained from the Trade and Investment Division, United Nations ESCAP, Bangkok.

This report was prepared for the United Nations Economic and Social Commission for Asia and the Pacific under contract number 2839 by a consultant, Digby Gascoine. The opinions, figures and estimates set forth in this publication are the responsibility of the author and do not necessarily reflect those of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), or its employees.

The author wishes to acknowledge the assistance of Marit Nilses, Gehendra Dhakal, Marc Proksch and Andrea Spear of ESCAP in the preparation of this report.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
</tr>
<tr>
<td>EPPO</td>
<td>European and Mediterranean Plant Protection Organization</td>
</tr>
<tr>
<td>ESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>FMD</td>
<td>foot-and-mouth disease</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GDP</td>
<td>gross domestic product</td>
</tr>
<tr>
<td>GOST</td>
<td>gosudarstvenny standart (CIS standards system)</td>
</tr>
<tr>
<td>HACCP</td>
<td>Hazard Analysis and Critical Control Points</td>
</tr>
<tr>
<td>IEC</td>
<td>International Electrotechnical Commission</td>
</tr>
<tr>
<td>IPPC</td>
<td>International Plant Protection Convention</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>ISPM</td>
<td>International Standard for Phytosanitary Measures</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
</tr>
<tr>
<td>ITU</td>
<td>International Telecommunication Union</td>
</tr>
<tr>
<td>NGO</td>
<td>non-governmental organization</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OIE</td>
<td>World Organisation for Animal Health</td>
</tr>
<tr>
<td>PRS</td>
<td>Poverty Reduction Strategy</td>
</tr>
<tr>
<td>SECO</td>
<td>State Secretariat for Economic Affairs of the Government of Switzerland</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
<tr>
<td>SME</td>
<td>small and medium-sized enterprise</td>
</tr>
<tr>
<td>SPS</td>
<td>sanitary and phytosanitary measures</td>
</tr>
<tr>
<td>SPS Agreement</td>
<td>Agreement on the Application of Sanitary and Phytosanitary Measures</td>
</tr>
<tr>
<td>STDF</td>
<td>Standards and Trade Development Facility</td>
</tr>
<tr>
<td>TBT</td>
<td>technical barrier to trade</td>
</tr>
<tr>
<td>TBT Agreement</td>
<td>Agreement on Technical Barriers to Trade</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
Contents

Abbreviations ........................................................................................................ iii
Summary of conclusions and recommendations ................................................. 1
Introduction ........................................................................................................... 3

Chapter
I. Present status of SPS and TBT capacity in Central Asia ......................... 4
   A. The concept of SPS/TBT capacity .................................................. 4
   B. SPS capacity in Central Asia ......................................................... 7
   C. TBT capacity in Central Asia ......................................................... 9
   D. Identification of key issues for enterprises and governments in Central Asia ...... 11

II. Regional perspectives on SPS/TBT capacity-building .............................. 13

III. Good practices for ensuring WTO compliance and taking advantage of WTO Rights ........ 14

IV. Summary of key needs for regional approaches .................................. 15
   A. Regional dimensions ............................................................... 15
   B. Market access ....................................................................... 17
   C. Needs assessment and capacity-building .................................. 17
   D. SPS and TBT management ...................................................... 18
   E. Access to expert advice ........................................................ 19

V. Proposed projects .............................................................................. 19
   A. Project 1: Facilitating WTO compliance .................................. 19
   B. Project 2: Technical market access strategies .......................... 20
   C. Project 3: A systematic approach to SPS/TBT capacity-building .... 20
   D. Project 4: Management capability as a key target for capacity-building ........ 23
   E. Project 5: Making SPS/TBT expertise available locally ......... 30
### Contents (continued)

#### List of Tables

1. Country group SPS capacities and options................................. 8  
2. Project 4: Indicative costs for each programme (United States dollars)........ 26  
3. Project 5: Estimated project costs (United States dollars)................... 31

#### Annexes

I. Central Asian affiliations with regional groupings.............. 34  
II. Abstracts from Central Asian veterinary and plant health cooperation agreements........................................... 36  
III. Central Asian Cooperation on Metrology, Accreditation, Standardization and Quality (CAC-MASQ)............................... 38  
IV. Overview of the SPS and TBT agreements......................... 42  
V. Potential modules and components for an SPS management toolkit for regulatory agencies in Central Asia.............. 45

#### References

48

#### Bibliography

49
Summary of conclusions and recommendations

The field of technical barriers to trade is very broad; accordingly, it will be difficult to cover every aspect of it in depth. To the extent that circumstances in the four target countries differ substantially, it may be difficult to make recommendations which are equally applicable to all of them or which can be implemented sensibly on a regional basis. At the same time, it is difficult to make recommendations that apply with equal relevance to the separate domains of SPS and TBT.

Nevertheless, in Central Asia – where countries trade extensively with each other and have other trading partners, such as the Russian Federation, in common – it is to be expected that there is much common interest in national regimes that impose technical barriers to trade and in the efforts of Central Asian countries to overcome technical barriers to exports.

Regional cooperation will not necessarily come easily to the four Central Asian countries. According to one major donor, “differences between the countries of Central Asia in their economic achievements and their political outlook can, and do, create significant challenges for the smooth circulation of goods, services and people, and produce tensions, which hinder joint approaches to solve shared problems” (European Commission, 2006, p. 6). In the view of the same donor, “lack of political will and extensive mistrust are seen as principal constraining factors on the progress of regional cooperation in Central Asia” (European Commission, 2004, p. 12). At the same time, regional cooperation is essential for the effective management of many of the risks that are addressed in technical (including SPS) regulations. Moreover, cooperation at the technical level of the kind that is anticipated in this report may provide a more fruitful starting point for improving intraregional relations than attempted cooperation on matters that have a higher political profile. Successful cooperation initiatives at the technical level may require an incremental approach that begins with more simple and obviously advantageous opportunities for mutually beneficial dialogue and joint activity.

Of the four Central Asian countries under study, only Kyrgyzstan is a WTO member; Kazakhstan, Tajikistan and Uzbekistan are all negotiating their accession. The different stages of integration into WTO are a limiting factor in considering possible ESCAP initiatives which are related directly to becoming a WTO member and/or meeting member obligations. Nevertheless, the report recommends two possible projects in this regard.

Project 1 proposes that ESCAP explore with the key agencies in the four countries their interest in a number of possible topics/activities designed to share knowledge and experience and build capacity on WTO SPS/TBT compliance. Depending on the topic(s) chosen, ESCAP could consider funding a programme of activities in its own right or, alternatively, seeking partners from within the donor community.

Project 2 proposes that, as a first step towards improving market access for Central Asian exports, ESCAP could mount an expert mission to each country to investigate the extent of knowledge about technical barriers to exports and the extent of interest...
in the possible development of a national technical market access strategy on the part of the relevant authority and stakeholders.

In the more general aspect of capacity-building related to SPS and TBT, three projects are put forward for consideration.

*Project 3* proposes that each of the countries in the Central Asian region would benefit from a comprehensive capacity and needs assessment, project design and prioritization in the SPS and TBT fields.

*Project 4* proposes a Central Asian regional initiative on SPS/TBT management comprising two parallel tracks, one for SPS managers and the other for TBT managers. The main goals would include the identification of key tools and skills applicable in each country for the management of SPS and TBT regimes; the enhancement of SPS/TBT managers’ knowledge and skills; the identification of regionally-based initiatives for information-sharing, emergency management, resource-sharing and the mutually-reinforcing alignment of programme activities; the building of mutual confidence; and the sharing of experiences in SPS/TBT management in areas such as governance, anti-corruption initiatives, cooperation with the private sector, co-regulation, cost-sharing and cost recovery.

*Project 5* proposes that ESCAP consider how it could facilitate the establishment of expert adviser positions dealing with SPS and TBT matters in the Central Asian region, with the broad purpose of assisting public administration in these subject areas and enhancing trade opportunities. The main objectives of stationing such advisers in Central Asia would be the following:

- To provide a generally available resource for information and expert advice on SPS and TBT issues
- To facilitate SPS and TBT capacity-building activities by the four Governments and the private sector
- To enhance information flows and liaison networks within and between the four countries and with relevant parties in other countries outside the region
- To assist the private sector in anticipating and overcoming SPS and TBT barriers to export trade development

An examination of a range of sources to review recent and current technical assistance initiatives that may be relevant to this assignment indicates that, while there are a certain number of such projects, they are generally complementary to the proposals advanced in this report. No projects with a specific and direct focus on the implementation of SPS and TBT regulatory regimes in a broad sense were identified, although under the heading of trade facilitation, there is certainly a body of activity on matters that are within the ambit of these terms, such as customs administration.
Introduction

The terms of reference for this study advise that one of the factors determining the short- and long-term competitiveness of enterprises, including SMEs, is their ability to comply with the technical requirements (sanitary and phytosanitary measures and technical regulations) that are applicable in export markets. As the countries of Central Asia accede to WTO, the rights and obligations specified in the SPS and TBT agreements will present both challenges and opportunities for them. For example, sanitary and phytosanitary requirements and technical regulations that apply to imported and domestic goods must be harmonized with international norms unless there is justification for a more stringent approach. At the same time, the capacity of both the private and public sectors will have to be greatly enhanced if enterprises in the Central Asian countries are to be able to obtain and expand access for their products, especially into higher value, developed country markets. Regional cooperation has a potentially important role to play in facilitating the transition, as a complement to activities at the national level. When successful, such cooperation can serve as an example for other groups of countries, such as LDCs.

Accordingly, the aim of the study is to identify key SPS and TBT issues in the Central Asian Subregion and suggest options for regional approaches to address these issues which would take maximum advantage of the mandate and expertise of ESCAP. The target group for the study includes government officials in Central Asia working in the area of trade and enterprise development policies and business associations, chambers of commerce and other private sector representatives in the region which could be engaged as appropriate in the development and implementation of regional SPS- and TBT-related initiatives. Countries included in the study are Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The study provides a brief overview of the present status of SPS and TBT capacity and identifies key issues for enterprises – including SMEs – and Governments in Central Asia. In the light of good practices at the national and regional level for facilitating effective WTO compliance and taking advantage of WTO rights related to technical barriers to trade both in Central Asia and elsewhere, options are discussed as to how ESCAP can use its comparative advantage to facilitate regional approaches to address the key issues.

It should be noted that opportunities for accessing relevant information directly from officials and private sector representatives in the countries were limited to e-mail and telephone communications. Written commentary and data not presented in the English language were not used.
I. PRESENT STATUS OF SPS AND TBT CAPACITY IN CENTRAL ASIA

A. The concept of SPS/TBT capacity

The “SPS capacity” (“SPS infrastructure” has a similar meaning) of a country encompasses all of the laws, systems, programmes, activities and associated resources that are organized and used by government agencies to ensure food safety and preserve animal and plant health using SPS measures. It can be defined as the country’s ability to maintain and enhance human, animal and plant life and health by identifying, evaluating and controlling pest and disease risks and ensuring the safety of the food supply through sanitary and phytosanitary measures.

The main components of SPS capacity are the following:
- National policies, goals, strategies and plans for food safety and biosecurity
- Legislation
  - Both primary legislation, such as food laws and laws concerning animal and plant health, and subordinate legislation, such as regulations made under these laws, ministerial orders and directives
- Institutions
  - The government agencies that have mandates to deal with SPS matters, their organizational structure, their management and the mechanisms for inter-agency coordination
- Standards
  - Food standards and related requirements to ensure food safety and requirements that are applied by governments concerning animal and plant health
- Risk analysis
  - The ability to identify and evaluate sanitary/phytosanitary risks by applying appropriate methodology to objective data
- Programmes
  - Written plans, operating procedures, identified goals, objectives, milestones and performance measures intended to achieve SPS-related outcomes
- Trained staff
  - Staff with appropriate qualifications and experience to design, implement and manage SPS programmes
- Staff development programmes
- Systems and methods for inspection and certification, such as
  - The auditing of Hazard Analysis and Critical Control Point (HACCP) systems used by industry to meet official requirements
  - Food testing equipment
  - Animal/plant field testing equipment
  - Vehicles

1 An overview of the SPS and TBT agreements is provided in annex IV.
2 HACCP is a widely accepted food safety management system that favours monitoring critical points in food chains to prevent food safety problems by identifying specific hazards and measures for their mitigation.
• Monitoring and surveillance
  - Food safety monitoring, such as reporting by physicians and hospitals of cases of food-borne disease
  - Active and passive animal and plant health surveillance

• Laboratory capacity
  - Buildings, equipment and consumables (test kits, laboratory reagents, filter papers, etc.)
  - Trained personnel
  - National/international accreditation

• Quarantine facilities/treatment
  - Border facilities, for example to hold animals
  - Analytical capacity at entry points
  - Plant quarantine station
  - Fumigation facilities

• Auditing and compliance
  - Regular programme auditing
  - Investigation of breaches of official requirements
  - Support for legal action against non-compliance
  - Measures to ensure honesty and integrity among staff members

• Research capacity
  - The ability to conduct research in support of programme activities and programme redesign

• Funding mechanisms
  - Budget provisions
  - Cost recovery through fee-for-service

• Stakeholder consultation mechanism
  - The identification of interested parties, e.g. in the private sector
  - Consultation via the circulation of information for comment, committee meetings, etc.

• Interaction with relevant international organizations
  - Enquiry and notification points established, as required by the SPS Agreement
  - Participation in the international standard-setting organizations

• Information systems
  - Mechanisms and facilities for gathering, processing and storing information needed for risk analysis and programme improvement and as the basis of reports to the Minister(s), the Government and private sector stakeholders

• Awareness-building

Other elements could be added, but the above provides a broad outline.

The SPS Agreement applies to government measures that protect the following:
- *human life and health* from risks caused by additives or by contaminants, toxins or disease-causing organisms in food; from risks caused by diseases carried by animals, plants or their products; and from risks caused by the entry, establishment and spread of pests
- *animal life and health* from risks caused by additives or by contaminants, toxins or disease-causing organisms in feedstuffs and from risks caused by
the entry, establishment and spread of pests, diseases, disease-carrying organisms or disease-causing organisms

- *plant life and health* from risks caused by the entry, establishment and spread of pests, diseases, disease-carrying organisms or disease-causing organisms

- *the natural and built environment* from damage due to the entry, establishment and spread of pests

The Agreement deals with the ways in which such measures may impinge on international trade. SPS infrastructure as such is not limited to trade-related concerns, although they are the main focus of the present study.

Obviously, human welfare is directly dependent upon the effectiveness of the SPS infrastructure’s protection of life and health against pests, diseases, toxins and so forth. The economic welfare of a country depends on the SPS infrastructure in many different ways. For example, the attractiveness of a country for international tourism depends in part on whether potential travellers believe that it will be safe to eat the food at their destination. In the agricultural sector, the protection of animals and plants against pests and diseases is crucial to maintaining productivity and to achieving and maintaining access for products to international markets. At the same time, the enhancement of agricultural potential through the importation of new genetic materials (seeds, semen/ova, live animals and plants, etc.) must not be undermined by the consequential importation of new pests and diseases.

Although the SPS Agreement only pertains to measures applied by Governments, biosecurity is not achieved by government measures alone. SPS measures are implemented through a combination of public and private sector activities, and their effectiveness therefore depends on the competence and integrity of both sectors. In developed countries, the public and private sectors are increasingly working together in a kind of co-regulatory partnership to achieve SPS objectives in the most efficient way possible. So, for example, a system in which government employees are present in food-processing plants to inspect activities and products may be replaced by another approach whereby the Government mandates the use of HACCP systems by food producers and periodically audits the performance of those systems. The development of competence in the private sector may therefore play a crucial role in ensuring food safety, especially in those countries where the capability and effectiveness of public sector institutions is constrained by limited resources, low wages and corruption.

“*TBT capacity*” is an analogous concept which has been modified to reflect the focus of the TBT Agreement on the capacity of a nation to establish and implement technical regulations that deal with matters other than those within the ambit of the SPS Agreement (for example the protection of health, safety, the environment and the prevention of deception and fraud). The TBT Agreement also deals with the preparation, adoption and application of standards - which are norms intended for voluntary application - and with procedures for conformity assessment. The elements of TBT capacity are broadly similar to the elements of SPS capacity as enumerated above, but would exclude quarantine facilities and include metrology capability (the standardization and checking of weights and measures, etc.).
B. SPS capacity in Central Asia

No studies were found that systematically described the status of SPS capacity in Kazakhstan or Uzbekistan. For Kyrgyzstan and Tajikistan, relevant work has been carried out by the International Trade Centre (ITC). This brief summary of the current (2006) situation in Tajikistan was offered therein:

Tajikistan’s food safety system is in need of a broad modernisation program that should be designed and implemented in a cooperative way by the relevant Ministries, based on a clear understanding on roles and responsibilities within the framework of a farm-to-table approach. Tajikistan’s animal health and plant health systems have sound legislation and there are programs in place to try to implement proper control of movements of animal and plant products across international borders; but systems and facilities need to be upgraded and there are many gaps to be filled.

All key parties interviewed in Tajikistan by the mission team agreed that the present situation concerning SPS capacity in Tajikistan is not well understood, and that it would be desirable to conduct a systematic and comprehensive SPS capacity assessment in each of the fields of animal health/quarantine, plant health/quarantine, and food safety. (Gascoine and Rayimnazarov, 2007, p. 38-39)

For Kyrgyzstan, the summary was similar. Among the issues raised was laboratory capacity:

In the course of preparing a national plan for SPS capacity building, it would be desirable to review in detail the distribution and capabilities of laboratories under the auspices of the various agencies. The aims of such a review would be, on the one hand, to rationalise facilities to eliminate duplication and, on the other hand, to strengthen key capabilities so as to provide the necessary quantum of competent laboratory capability which would be used as fully and efficiently as possible. In the course of the review it would be appropriate to consider what services, if any, could be provided more cost-effectively by the private sector. (Gascoine and Morkovkina, 2007, p. 7)

This commentary is likely to be equally relevant to the other Central Asian countries.

Table 1 on SPS capacities is reproduced from a recent report by the World Bank on food safety and agricultural health management in CIS countries.
<table>
<thead>
<tr>
<th></th>
<th>Group I: Belarus, Kazakhstan, Russian Federation, and Ukraine</th>
<th>Group II: Armenia, Azerbaijan, Georgia, and Moldova</th>
<th>Group III: Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPS capacities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available resource</td>
<td>Moderate to high</td>
<td>Low</td>
<td>Low to very low</td>
</tr>
<tr>
<td>level (funds, human</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capital)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present requirements</td>
<td>Moderate to high</td>
<td>Moderate</td>
<td>Low</td>
</tr>
<tr>
<td>on imports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity to handle</td>
<td>Moderate to high</td>
<td>Low</td>
<td>Low to very low</td>
</tr>
<tr>
<td>SPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Strategic options</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Databases on food-</td>
<td>Harmonize with recommendations of standards setting</td>
<td>Selectively harmonize, with priority given to</td>
<td>Selectively harmonize, with priority given to main health</td>
</tr>
<tr>
<td>borne disease incidence,</td>
<td>recommendations of standards setting bodies and WTO</td>
<td>health problems with main economic and human impact</td>
<td>problems and main health problems in transborder trade</td>
</tr>
<tr>
<td>plant pests, and animal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>diseases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk and cost-</td>
<td>Develop and introduce evaluation as basis for</td>
<td>Develop evaluation capacity selectively and apply</td>
<td>Develop evaluation capacity and apply selectively;</td>
</tr>
<tr>
<td>benefit evaluation</td>
<td>legal transformation and policy reform</td>
<td>progressively</td>
<td>subcontract in other cases</td>
</tr>
<tr>
<td>WTO-compliant</td>
<td>Progressively adopt full range</td>
<td>Selectively and gradually adopt, in line with</td>
<td>Selectively and gradually adopt, with first priority to</td>
</tr>
<tr>
<td>legislation,</td>
<td></td>
<td>requirements in main (potential) markets and for</td>
<td>main health risks and second priority to development of</td>
</tr>
<tr>
<td>regulations and</td>
<td></td>
<td>main health risks</td>
<td>potential markets</td>
</tr>
<tr>
<td>standards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing</td>
<td>Consolidate labs and fully apply international standards</td>
<td>Consolidate labs and selectively apply international</td>
<td>Consolidate labs and selectively apply international</td>
</tr>
<tr>
<td></td>
<td></td>
<td>standards; try to share capacities with other</td>
<td>standards; subcontract expensive tests to others</td>
</tr>
<tr>
<td></td>
<td></td>
<td>countries</td>
<td></td>
</tr>
<tr>
<td>Monitoring and</td>
<td>Fully based on risk assessment</td>
<td>Selectively based on risk assessment and use of risk</td>
<td>Selectively based on risk assessment and use of risk</td>
</tr>
<tr>
<td>inspection programs</td>
<td></td>
<td>evaluation</td>
<td>evaluation</td>
</tr>
</tbody>
</table>

*Source:* Table 14 in World Bank, 2007.
**Group I countries** [including Kazakhstan]

Regardless of targeted markets and the standards systems to be adopted, Group I countries have the most resources and capacities for managing food safety and agricultural health [see table 1]. They can initiate the creation of databases for monitoring and surveillance that will enable them to perform risk assessments to be used as the basis for policymaking. Their main challenge is to achieve greater efficiency in their systems through consolidation. Yet, the efficiency of their efforts and their speed of progress may be much enhanced by employing technical assistance from abroad, for example though twinning arrangements.

**Group III countries** [including Kyrgyzstan, Tajikistan and Uzbekistan]

The challenge for countries in Central Asia is to comply with their export markets’ evolving SPS requirements. These export markets are generally not very sophisticated, and their product mix is limited. It is important for Group III countries not to be surprised by sudden changes in the requirements for their main exports in their main markets. This requires periodic consultation with authorities in those markets. For Group III countries, the transition from GOST\(^3\) to WTO-based systems would best be guided by events in the Russian Federation and other markets in the region. Change can be gradual, with priorities based on trade interests and sanitary and phytosanitary risks. Efforts are warranted to address weaknesses in the domestic food safety situations of Central Asian countries.

For the poorer countries in their present state, consumer and agricultural health can be effectively protected by well-designed and functioning surveillance based on risks, which will almost certainly place far greater priority on management of infectious and parasitic food- and water-borne disease rather than on trying to meet the pesticide and veterinary pharmaceutical MRL [maximum residue level] standards of the EU [European Union] or CODEX [Codex Alimentarius]. (World Bank, 2007)

**C. TBT capacity in Central Asia**

A general overview of the standardization/quality assurance/metrology infrastructure in the Central Asian Subregion has been provided by Gilmour, Ibragimov and Gujadhur (2004). Subsequently, Gilmour and Orlova (2005), reported that:

As with the other countries in the region, Uzbekistan has embarked on a major overhaul of its conformity assessment systems including minimizing the adoption of mandatory standards (until recently, there were approximately

\(^3\) GOST is the system of technical standards maintained by the Euro-Asian Council for Standardization, Metrology and Certification (EASC), a regional standards organization operating under the auspices of the Commonwealth of Independent States (CIS).
twenty thousand standards with which compliance was mandatory and for which products required certification), privatizing certification bodies (previously almost entirely a government domain) and seeking to introduce an accreditation program that would satisfy international requirements (an accreditation body has existed for at least a decade but the standards required to be met by laboratories were national standards, which only approximated international requirements and there was no requirement for the accreditation body itself to meet any standard. Accreditation was seen as an integral part of product certification rather than a stand-alone activity).

The State Secretariat for Economic Affairs (SECO) of the Government of Switzerland provided funds for ITC to develop and implement a trade-related technical assistance programme for Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, consisting of four national projects with regional components over the past several years. The aim of the programme was the sustainable expansion and diversification of SME exports in the four participating countries. It provided a comprehensive and holistic technical cooperation response to priority needs identified in cooperation with the Governments of these countries during the preparatory phase for the four national projects. One of the objectives was to strengthen the national institutions dealing with standardization, quality assurance, accreditation and metrology to enable exporters to meet the technical requirements in their export markets adequately.

According to a report for the World Bank by Kellermann and Sadyrov (2007, p. 23-24) on Kyrgyzstan:

Technical regulation is an essential component of non-tariff regulation, which is an integral part of the industry policy of the country. Technical regulation is one of the primary tools that the government has at its disposal to make certain that products meet minimum standards to ensure the health and safety of the population and the environment. Technical regulations are therefore key elements for both the authorities and business in managing the economy, which is extremely important for the development of Kyrgyzstan at the present moment.

The Law on the Fundamentals of Technical Regulation adopted in May 2004 provides the legal basis for the radical reform of the technical regulation system in Kyrgyzstan in a manner which would promote the development of trade, especially international trade. This Law provides for minimum mandatory requirements for products, production processes and schemes of conformity assessment. Standards and accreditation, which are voluntary in nature, are put in their proper perspective, namely to support the effective implementation of technical regulations.

The Ministry of Economic Development and Trade (MEDT) is responsible for uniform industry and trade policies in Kyrgyzstan, which would include technical regulation. The existing national system of standards and metrology however, does not yet reflect these policies in full because there is no formal cooperation mechanism between the National Institute for Standards and
Metrology (NISM) and the Ministry. Also, NISM does not have regulatory authority, hence cannot implement and enforce technical regulations or legal metrology. The result has been for instance, that in the field of legal metrology there has been no surveillance since 2005, resulting in a drastic increase of cases where the consumer has been misled in purchasing products of incorrect weight, length and volume. This situation will eventually lead to negative social and economic consequences.

The current situation in standardization, metrology and accreditation is therefore one that does not support efficient decision making in relation to technical regulation. Kyrgyzstan urgently needs to establish better management coordination in the use of scarce resources and personnel capacity regarding standards, metrology and accreditation as support functions of technical regulation. This means that –

- The functioning of the national quality infrastructure (standards, metrology and accreditation) must be optimised and aligned with international best practices;
- The development of technical regulations based on international standards must be significantly accelerated;
- The responsible Ministries and Agencies need to become much more active in developing and implementing technical regulations;
- Effective and efficient conformity assessment infrastructure, market surveillance systems and mandatory certification need to be established and developed; and
- [...]The position of the Authorized Body for Technical Regulation [must be enhanced] to ensure optimum coordination of all technical regulation activities.

In Kyrgyzstan this re-engineering has been given a good start by the promulgation of the Law on the Fundamentals of Technical Regulation, No. 67 of May 2004. The changes envisaged by this law however, are immense, and it is therefore imperative that Kyrgyzstan establish an efficient and effective organizational structure up front to facilitate the implementation of this law. [...] In order to provide conformity assessment services to suppliers and authorities, national standards, metrology and accreditation bodies have to be established and maintained by the authorities. Such standards, metrology and accreditation bodies are absolutely essential to support and enable the inspection, testing and certification bodies to provide conformity assessment services that can be recognized by both the trading partners and regulatory bodies at the national level.

D. Identification of key issues for enterprises and Governments in Central Asia

Among lower- and middle-income countries (although to a lesser extent in the latter), there are an array of common food-safety and/or agricultural health-management weaknesses. These include the following:

- Lack of widespread appreciation in the public and private sectors of the importance of agri-food standards to trade and the strategic options available to them.
- Insufficient awareness of international food standards and limited application of basic risk management practices, including HACCP and ‘good’ agricultural or manufacturing practices at various points in the supply chain.
- Lack of technical capacity and resources to develop standards and to update SPS legislation.
- Relatively poor enforcement capacity as regulatory agencies are under-funded, understaffed, and lack appropriate infrastructure.
- Insufficient public-private dialogue on standards development, implementation, enforcement, and export market strategy, and
- Limited capacity to control plant and animal pests and diseases, as well as monitor and report their incidence.

To this list, the following issues might be added (with specific reference to the Central Asian countries under discussion here):

- The plethora of GOST-era food standards neither aligned with international standards nor relevant to future food export patterns
- The absence of a coherent, system-oriented approach to capacity-building
- The weakness of strategies to counter rent-seeking and corrupt behaviour within the regulatory authorities
- Inter-ministry rivalries for “regulatory space”

Key issues in the TBT field are broadly parallel:

- The residual command economy mindset among government regulators and industry
- The need to move beyond GOST to fully international standards
- The orientation towards outputs (for example, analytical testing) rather than outcomes (for example, ensuring that products conform with requirements)
- Slow movement towards international accreditation of laboratories
- Poor human, technical and financial resourcing of government agencies needed to support private sector export activity
- No whole-of-government approach to the definition of national capacity requirements in the field of standardization/quality/accreditation/metrology
- Inter-ministry rivalries and overlapping functional mandates
- Regulatory rent-seeking
II. REGIONAL PERSPECTIVES ON SPS/TBT CAPACITY-BUILDING

Almost all capacity-building in the fields of SPS and TBT is focused on and administered at the national level, for fairly obvious reasons. National Governments have internal (domestic) obligations to protect their populace, environment, and economies against risks, and external obligations in line with their treaty commitments and other agreements. The funds available for capacity-building are mostly generated internally, and developing countries rarely have a surplus of resources that can be devoted to cooperative initiatives with their neighbours. For donors, working with individual countries is more simple and there is clearer accountability than when working with regional groupings. Under which circumstances, then, is it more constructive to carry out capacity-building initiatives at the regional level?

Regional initiatives for SPS/TBT capacity-building may be as appropriate or more appropriate than initiatives focused on the national level in one or more of the following circumstances:

- Where specific problems – such as the presence of a pest or disease that can readily cross international borders – require coordinated efforts by all countries in the region in order to establish and maintain control
- Where the marginal cost of expanding a national capacity-building initiative to include other countries in a region is relatively small or where the average per unit cost of a regional initiative is considerably lower than the average per unit cost of an initiative at the national level,
  - As is the case with many training courses where there is a significant component of fixed costs for bringing in highly paid international trainers
  - As is the case where it is significantly more economical for countries in a region to share a larger, efficient facility (for example, a laboratory capable of a range of sophisticated chemical or biological analyses) than it is for each Government to build and attempt to maintain its own facility that will be inefficiently small or underutilized
  - As is the case where countries in a region can share the cost of an investment in SPS or TBT capacity-building such as the translation of international standards into a language that is commonly used in the region (as Russian is in Central Asia)
- Where regional initiatives draw together agencies and officials who are counterparts in the various countries and thereby enable the less advanced countries to learn from the experience and expertise of their neighbours;
- Where regional initiatives will have spillover benefits beyond their immediate goals – for example, where a simple programme to cooperate regionally on one issue engenders a wider spirit of cooperation and understanding between neighbours
- Where regional SPS/TBT initiatives can take advantage of established regional structures (see annex I for a graphical depiction of regional organizations in Central Asia, but note that the Central Asian Cooperation Organization (CACO) merged with the Eurasian Economic Community (EurAsEC) in 2006).
This is not a complete list, but it certainly includes some of the reasons for the establishment of regional cooperation agreements on veterinary and plant health issues in 2000 (see extracts in Annex II).

On the other hand, a regional approach may be contraindicated in other circumstances, for example:

- Where the spreading of limited resources available for capacity-building over more countries results in projects that do not achieve sufficient scale or momentum to bring about lasting change
- Where the circumstances of the various countries in a region differ so much that regional projects targeting common problems would not necessarily help the most and least advanced countries
- Where the lack of a genuine desire to cooperate on the part of all parties makes the regional initiative’s timetable and progress captive to the most recalcitrant participant’s actions
- Where an efficient and effective management structure cannot be maintained for the initiative, nor appropriate accountability ensured

Annex III provides a description of the difficulties encountered by a USAID-funded initiative to establish a Central Asian regional body for cooperation on metrology, accreditation, standardization and quality (CAC-MASQ). It provides a cautionary tale about the feasibility of durable regional structures and processes.

III. GOOD PRACTICES FOR ENSURING WTO COMPLIANCE AND TAKING ADVANTAGE OF WTO RIGHTS

Of the four Central Asian countries under study, only Kyrgyzstan is a WTO member; Kazakhstan, Tajikistan and Uzbekistan are all negotiating their accession. Countries that are engaged in the accession process are subject to extremely detailed scrutiny by the relevant WTO working party. In particular, it closely examines the legislation of the applicant country which is relevant to the provisions of the SPS and TBT agreements. All obligations must be met at the time of accession or within a limited time thereafter, subject to the agreement of the existing WTO members. For applicant countries such as Kazakhstan, Tajikistan and Uzbekistan, joining WTO presents a very valuable opportunity to modernize legislation and administrative practices and to create new institutional frameworks. Reform processes can be focused and energized by the requirements associated with WTO accession and membership.

Some of the key initiatives that countries typically undertake when joining WTO include:

- Reviewing existing legislation, both primary and subordinate, to ensure that it is not discriminatory or otherwise inconsistent with WTO agreements
- Introducing into legislation provisions that, for example, enable the application of the principle of equivalence (article 4 of the SPS Agreement; article 2.7 of the TBT Agreement)
- Identifying and amending any policies, requirements and procedures that may be in conflict with WTO rules
• Identifying and, where appropriate, amending existing technical regulations and SPS measures that are criticized by WTO members as potentially inconsistent with WTO obligations
• Adopting international norms
• Considering how to develop national capacity for risk analysis
• Reviewing and, where appropriate, amending pricing and cost recovery policies to ensure that revenues do not exceed costs
• Joining and/or strengthening participation in the relevant international standard-setting bodies
• Designating or establishing, early in the accession negotiating process, the administrative units that will have the responsibility to act as national enquiry points and notification authorities
• Training staff to participate effectively in negotiations, in standard-setting activities, in representing their country on the SPS Committee and the TBT Committee, etc.
• Communicating extensively with stakeholders in the private sector and with the wider community

It is likely that Kazakhstan, Tajikistan and Uzbekistan are conducting some or all of these activities and that they have made varying degrees of progress.

Once a country is a WTO member, it must continuously meet its obligations. The obligations of WTO members under the SPS and TBT agreements are summarized in annex IV. For developing countries, immediate, full-scope implementation of obligations under the SPS and TBT agreements may seem to be an intimidating task. In practice, some of the formal obligations – such as the designation and operation of enquiry points and notification authorities – can be carried out in a pragmatic way with relatively few resources, while an obligation such as (SPS) risk assessment presents considerable challenges. Project 1 outlines a proposal for how Central Asian countries could be supported in this endeavour.

IV. SUMMARY OF KEY NEEDS FOR REGIONAL APPROACHES

A. Regional dimensions

It is clear that, along with almost all developing countries, the nations of Central Asia have a large absorptive capacity for technical assistance in the fields of SPS and TBT. The provision of such assistance now in Central Asia is exceptionally timely as export horizons widen, efforts are made to reinvigorate the agricultural sector and progress is made towards WTO accession and implementing policies and programmes to meet WTO member obligations. The extent of the need for technical assistance can only be reliably established through systematic study by experts using the relevant tools that have recently been developed.4

4 The appropriate tool for evaluating food safety capability is the FAO Strengthening national food control systems; Guidelines to assess capacity building needs. OIE has produced the document, Performance, Vision and Strategy (PVS): A Tool for Veterinary Services. The Phytosanitary Capacity Evaluation (PCE) Tool has been developed to assist countries in undertaking a needs assessment of the
Mainstream technical assistance for SPS and TBT capacity-building is – and should be – provided to individual countries, which are, after all, the entities involved in international trade which are obliged to conform with WTO rules once they become members. The circumstances in Central Asia, however, appear to warrant a regional approach to address a number of needs. As trading partners, Central Asian countries can benefit significantly from the development of relationships of familiarity (initially) and trust (eventually) on SPS and TBT matters, as in most other areas of interaction. In particular, they can benefit from the sharing of experience, for example experience concerning the protracted procedure for WTO accession. They also face common problems – such as a paucity of management training specific to the SPS and TBT regulatory functions – that may well be easier to address in the context of a regional initiative than a national framework.

SPS measures and technical regulations within the ambit of the TBT Agreement typically aim to limit risks to consumers, to economic activity, to society and to the environment. The effectiveness of the measures depends upon the circumstances in which they must be implemented. For example, in the SPS domain, the effectiveness of measures to prevent the spread of commercially significant exotic animal diseases depends on factors such as natural processes (such as the potential for the spread of viruses by wind or by wildlife movement), topography, the general proficiency of border control agencies on both sides of the border and traditional pastoral practices. Any disparity between the animal or plant health status across international borders has the potential to be reduced or removed by cross-border movements of people, goods, pests and diseases. It is in the interests of neighbouring countries to cooperate to share information and coordinate control measures in order to better manage risks associated with transboundary movements. A serious animal health threat, such as foot-and-mouth disease, can be addressed effectively only on a regional basis since it is physically and economically impossible to seal borders against the unregulated movement of animals and animal products and the windborne or waterborne spread of the virus that causes the disease. Even food safety issues may warrant a regional approach, for example where pesticides that are banned or severely restricted in one country are freely available just across the border in a neighbouring country.

In the TBT domain, a much broader range of hazards is addressed by technical regulations, including environmental protection, the prevention of deceptive or fraudulent trade in goods and services, other aspects of consumer protection, the health and safety of workers and others and national security. Often, the effective control of hazards does not require a regional approach. Nevertheless, there are many circumstances in which regional cooperation might be beneficial, as when counterpart authorities in neighbouring countries work together to manage the natural resources of a shared river basin. There may also be important opportunities to share facilities, to coordinate or align standards for products that are specific to a region and so forth.
Mutual confidence among counterpart agencies in the countries of a geographical region will underpin greater efficiency in the achievement of SPS and TBT objectives. One obvious instance is the bilateral or multilateral acceptance of attestations (often in the form of official certification) as to the attributes of products. This mutual confidence is built on a combination of knowledge by the importing country of the systems used by the exporting country to ensure that certificates are validly issued and the verification of performance through selective checking of consignments against the certificates that accompany them across the border. Good personal relationships between the senior managers in the counterpart agencies can make a significant contribution to the level of confidence between trading partner countries.

B. Market access

It is an implicit right of every WTO member to have its fellow members meet their obligations under the agreements covered. In the case of SPS and TBT matters, a member can evaluate the technical barriers faced by its products in export markets against the rules set out in the relevant agreements and then decide upon the most appropriate strategy for forcing the removal or reduction of barriers that are apparently arbitrary or unjustifiable. For countries that export many products to many markets, there are likely to be many such barriers, and they should be addressed in order of priority. It is therefore desirable to develop a coherent strategy for progressively reducing barriers and enhancing what can be termed “technical market access”. A national technical market access strategy is a means of using available scientific and diplomatic resources as effectively as possible to enhance export trade. The actions available to a WTO member to seek a reduction in technical barriers to trade range from private bilateral consultations to discussions of specific trade problems in either the SPS or TBT Committee to formal (expensive and protracted) WTO dispute settlement proceedings.

In the case of the Central Asian countries, the applicability of this approach depends first on whether they have become WTO members and then on essentially practical questions concerning the number, type and severity of the technical barriers to trade encountered by their exports.

C. Needs assessment and capacity-building

National SPS/TBT capacity building is complex and involves the development, operation and progressive improvement of a large number of interlocking legal, administrative and technical subsystems, which makes the design and prioritization of resource allocation challenging.
A comprehensive capacity and needs assessment combined with project design and prioritization in the SPS and TBT fields for each of the Central Asian countries would ensure that they are demand-driven, meet identified needs and create capacity to supply services if they are required. The regional element in this instance does not imply that this work should be carried out at the regional level but rather that the four countries have a common need for a sensible planning framework for capacity-building.

D. SPS and TBT management

For both governments and the private sector, systems for the development and/or implementation of technical regulations and sanitary and phytosanitary measures are typically of fundamental importance to the successful operation of the responsible institutions and business enterprises. At the same time, the management of these systems often presents complex, multidimensional challenges. A vital component of national SPS and TBT capacity is the presence of skilled and effective managers working with appropriate management tools to organize and direct resources with a view to achieving defined goals efficiently. Managers must identify goals and objectives, assess risks carefully, design programmes to achieve the required outcomes, gather and utilize personnel and financial resources, monitor progress, communicate with stakeholders and make improvements progressively. Preparation for and management of emergency situations requires management abilities of a very high order.

Managers in the SPS and TBT fields must be able to work effectively in a technical environment which also involves international trade – and therefore international political – considerations. A cooperative relationship with counterparts in trading partner countries, and especially countries with whom there are common borders, is essential. As regulators, public sector managers must establish and maintain appropriate working relationships with private sector enterprises and their representative organizations.

Despite the crucial nature of the management component of national SPS and TBT capacity, this topic has not often been addressed directly in capacity-building initiatives. Most likely, beneficiary countries rarely, if ever, ask for technical assistance in this area, while donors may feel that the design and successful implementation of management strengthening initiatives are more complex and diffuse than, say, support for the constructing and equipping laboratories and training technical staff, which are the most common components of SPS and TBT technical assistance projects.

5 Any work to be undertaken in the TBT field should take into account work already done under the SECO project referenced above in relation to the strengthening of the national institutions of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan dealing with standardization, quality assurance, accreditation and metrology. There has been no comparable donor assistance in regard to SPS capability.
A regional initiative in Central Asia in this area would not only significantly increase the capacity of each of the four countries under consideration, thereby maximizing the effectiveness of the available resources in achieving biosecurity and food safety goals; it would also bring together the key managers in the region, which would, in turn, establish interpersonal relationship, build mutual confidence and enhance the potential for transboundary cooperation and the initiation of programmes on a regional basis.

E. Access to expert advice

Typically, government agencies and businesses in developing countries do not have ready access to expert advice on sanitary/phytosanitary issues or on technical regulations. Of course, access to information is available on specialized websites, for example, those of the multilateral standard-setting bodies (Codex Alimentarius Commission, IPPC, OIE, ISO, ITU, IEC, etc.), the FAO and so forth. However, such websites cannot meet the need for professional judgement, informed by experience and comprehensive technical knowledge, on issues that arise in the administration of standards and technical regulations.

An expert professional adviser who is familiar with the local circumstances and with international good practices can provide an ad hoc advisory service that is invaluable in enabling local administrators to find needed information efficiently and to put that information to best use. Such an adviser can also, on request, suggest approaches to managing more complex issues in matters such as systems design, legal frameworks and enforcement strategies. Because an experienced adviser will be familiar with local circumstances and problems, he or she will also be able to facilitate the identification of areas where capacity-building is warranted and to assist in project design and in locating potential sources of funding. In a regional setting, an expert adviser can become a focal point for the development of possible cooperation initiatives and a resource to facilitate implementation. For example, the United Kingdom Department for International Development (DFID) has funded a long-term (three-year) international consultant on public financial management issues to work in Tajikistan at the World Bank Country Office in Dushanbe with the purpose of coordinating donor activities on public financial management issues and providing day-to-day expertise and advice to the Ministry of Finance on related issues.

V. PROPOSED PROJECTS

A. Project 1: Facilitating WTO compliance

Technical assistance provided to countries seeking to accede to WTO often includes a component to facilitate the accession process. Additionally, the WTO Secretariat provides advice to acceding countries. However, none of this assistance is provided on a regional basis. Is there a regional perspective that would warrant an initiative by ESCAP to assist the countries of Central Asia in meeting SPS and TBT agreement requirements?
Once all Central Asian countries (perhaps with the exception of Turkmenistan) are members of the WTO, it would be beneficial to create regional forums – either physical or electronic – in which the countries could discuss matters of common interest in the SPS or TBT fields and even coordinate their positions on matters for decision in the SPS and TBT committees. However, in the situation where one country is a member and the others are progressing towards membership (each at its own pace), such an initiative would be premature. On the other hand, there is a range of relevant topics for which it would be useful to encourage intraregional dialogue and capacity-building. For example, the responsible agencies in all four countries would benefit from training programmes on risk analysis techniques, the design of risk-based control programmes, co-regulation methods, etc. Similarly, they would benefit from guided discussion on the modalities of establishing national SPS and TBT focal points (incorporating the enquiry point and notification authority functions) and for using these focal points to build national awareness of WTO issues.

It is proposed, therefore, that ESCAP explore with the key agencies in Central Asia their interest in any possible topic/activity designed to share knowledge and experience and to build capacity on WTO SPS/TBT compliance. Depending on the topic(s) chosen, ESCAP could consider formulating a programme of activities in its own right or with partner agencies.

B. Project 2: Technical market access strategies

As a first step towards improving market access for Central Asian exports, ESCAP could mount an expert mission to each country to investigate the extent of knowledge of technical barriers to exports and the extent of relevant authority and stakeholder interest in the possible development of a national technical market access strategy. The mission would result in a study identifying those aspects of SPS and TBT capacity-building which are typically neglected and/or which will make the greatest contribution to the enhancement of trade if supported by appropriate initiatives. Where the studies on the individual countries show common elements, it is possible that the Central Asian countries might coordinate their efforts to reduce SPS or TBT barriers to their exports using a regional approach.

C. Project 3: A systematic approach to SPS/TBT capacity-building

National SPS/TBT capacity is a complex, multifaceted concept, the practical implementation of which involves the development, operation and progressive improvement of a large number of interlocking legal, administrative and technical subsystems. Such complexity presents significant challenges for the design and prioritization of resource allocation. Not uncommonly in developing countries, local resources are directed disproportionately to prestigious hard infrastructure (offices and laboratories) and to activities which are most personally advantageous to the principals and subordinate staff of responsible agencies. Donor funds favour hard

---

6 Views similar to those in this section are expressed in Gascoine and Morkovkina, 2007 and Gascoine and Rayimnazarov, 2007 in relation to SPS capacity in Kyrgyzstan and Tajikistan.
infrastructure because it is tangible, durable and undivertible, and training because of its apparent merit as a use of funds and because beneficiary countries often ask for it. However, there are other perspectives on the most appropriate basis for resource allocation. Specifically, there should be two main drivers of SPS/TBT capacity-building:

- The array of needs, based on the assessment of risks, for technical measures to protect people, animals and plants, economic activity and the environment from damage caused by all kinds of hazards
- The potential for the expansion of internal and external trade opportunities through the institution of an appropriate regime of standards, technical regulations and SPS measures that will ensure that legitimate customer requirements can be reliably met

In other words, SPS/TBT capacity-building should be demand driven. Its purpose should be to meet identified needs and create capacity to supply services in the event they may be required.

As a practical matter, rational SPS/TBT capacity-building is a somewhat distant goal rather than an imminent reality for most countries. Nevertheless, it is possible to describe some principles that reflect the goal and can help to direct decision-making about the use of available resources. For example, all project proposals for capacity-building should include an analysis, however rudimentary, of the contribution that the project can be expected to make directly and indirectly to limiting specific risks and/or enhancing the marketability of products. At the same time, in the SPS field at least, a set of tools has been created by the relevant international organizations to enable the coherent assessment of existing SPS capacity at the national level and the subsequent identification of needs.\(^7\)

The capacity assessment tools cannot provide useful guidance on capacity-building needs and priorities if they are used in a mechanical way. They are best regarded as coherent frameworks for gathering the information required for needs assessments. The evaluation of the data gathered should be carried out by national experts, ideally in consultation with international experts who can bring to the table knowledge of the approaches that have been followed in other countries and familiarity with the full range of relevant issues. The immediate purpose of such capacity assessments is to identify major weaknesses and gaps in the existing capability with regard to both current and prospective threats and to prospective needs for enhanced capacity in the light of opportunities to increase export trade in agricultural products. From these assessments it would be feasible to do the following:

- Identify improvements that should be made
- Give them a priority ranking
- Design projects that would deliver the necessary improvements
- Present these projects in a programmatic manner.

This process would make it possible to give donors the opportunity to support efficient and effective SPS capacity-building by funding well designed projects that are part of a national plan. It is a critical step in the procedure to prepare project

\(^7\) See footnote 4 for a description of those tools.
descriptions that are detailed, practical and adequately costed and which address agreed priorities in the most cost-effective manner. It is essential that potential donors not be presented with yet another set of proposals for duplicative strengthening of laboratory capacity and for study tours to countries whose relevance to the export prospects of Central Asian countries is marginal.

The World Bank has recently conducted systematic assessments of this kind in several developing countries, so there is already an established model for the procedure. (See, for example, the recent studies on SPS capacity-building needs in Viet Nam (World Bank, 2006c) and the Lao People’s Democratic Republic (World Bank, 2006a)).

The process of capacity and needs assessment is being initiated in the area of animal health. OIE is currently engaged in a programme to apply its veterinary-sanitary capacity evaluation tool in 15 countries, including Kyrgyzstan. The World Bank is said to have taken a decision not to provide technical assistance in the veterinary-sanitary field in the future without a prior assessment of this kind. Clearly, it is in the interests of the Central Asian countries to have evaluations carried out.

**What ESCAP could do**

As outlined above, a comprehensive capacity and needs assessment, along with project design and prioritization in the SPS and TBT fields, would be useful for each of the countries in the region.

Potential activities for ESCAP could include the following:

- Preparing an outline of the work that might be done in each country and the rationale for it
- Liaising with the responsible authorities in each of the four countries to discover how much relevant analysis has already been done and to gauge interest in advancing work along the lines proposed
- Liaising with the international bodies that have technical expertise in the field of needs assessment, such as OIE, to encourage their interest in the project
- Liaising with other donors (the World Bank, DFID, the German Agency for Technical Cooperation (GTZ), the Russian Federation, USAID, SIDA, AusAID, etc.) to encourage their interest and participation
- Convening expert meetings at the regional level to enable shared learning and the development of ideas about the concept and its implementation
- Providing a coordination function by convening an annual technical/strategic planning meeting of authorities and donors
- Working with the authorities in the individual countries to assist them in preparing project proposals for submission to potential donors.
D. Project 4: Management capability as a key target for capacity-building

1. Goals of a regional SPS/TBT management initiative

The development of a cadre of effective managers in the institutions responsible for the administration of SPS and TBT regimes depends upon a number of elements, including the following:

- An understanding at the most senior levels of Government of the crucial role of managers in developing and operating effective SPS/TBT institutions
- The availability of suitably qualified candidates, whether already in management positions or ready for recruitment
  - Generally, candidates will have relevant technical qualifications, or a demonstrated ability to understand technical issues
- The provision of targeted (on the job?) training in management skills and the use of management tools
- The opportunity for candidate managers to gain relevant experience and develop sound judgement progressively
- The selection of appropriately trained and experienced managers to fill positions that will fully utilize their expertise
- The practice of allowing people in management positions to manage (that is, delegation of authority)

Suboptimal management may occur for innumerable reasons. Significant impediments to the development of good management may include the following:

- Recent or current instability in the organization of public administration due to civil disturbances, frequent changes in Government, etc.
- The confusion of roles between managers and Ministers (failure to allow managers to manage)
- A lack of scrutiny and evaluation of management performance
- A lack of accountability for poor management performance
- The failure to appoint and reward managers on the basis of merit and performance
- A lack of resources for necessary training
- A lack of conventional management tools adapted to SPS/TBT needs
- Barriers to inter-agency cooperation
- The diversion of management’s attention to the exploitation of opportunities for corruption

The main goals of a regional initiative in Central Asia on the management of SPS and TBT matters, supported by Governments and donors, would include the following:

- The Identification of key tools and skills applicable in each country for the management of SPS and TBT regimes
- The enhancement of SPS/TBT managers’ knowledge and skills
- The identification of regionally based initiatives for information-sharing, emergency management, resource-sharing and the mutually reinforcing alignment of programme activities
• The building of mutual confidence in the capabilities and effectiveness of counterpart managers and agencies in Central Asian countries
• The sharing of experience in SPS/TBT management in areas such as strategic planning, risk assessment, governance, anti-corruption initiatives, cooperation with the private sector, co-regulation, cost-sharing and cost recovery

2. Project design

For the purposes of this report, the working title of the proposed project is the Central Asian regional initiative on SPS/TBT management. It is recommended that the initiative comprise two parallel tracks: one for SPS managers and the other for TBT managers. While there are many similarities between the management challenges present in each of the two tracks, the proposal for separate tracks acknowledges that, in general, (although in matters such as food safety, not entirely) the agencies and managers responsible for SPS issues tend to be separate from those responsible for TBT issues, and there are significant differences in subject matter. Separate SPS and TBT components would be more adaptable to specific circumstances and needs and could be presented for funding to different donors with interests biased towards one field or the other. Each track could proceed at its own pace.

The two tracks would have a number of features in common:

• The programmes would be conducted in a series of phases over a three-year span. Initial phases would be more focused on scoping and planning, while later phases would be more focused on skills and knowledge acquisition
• The programmes would be targeted towards a relatively small number of participants from each country (between 5 and 10 individuals) at the level of agency head/deputy agency head/discipline leader. The number of actual participants might be increased progressively from the initial phase to the later phases
• The primary modality in each phase would be for expert facilitators to draw out contributions from the participants on specific topics. These contributions would then be processed collectively in a workshop or seminar setting. The contributions by individuals would be prepared in advance of each workshop and would require quality approval before attendance was finalized
• There would also be a component at each workshop comprising topical presentations by the experts, for example on approaches to performance measurement in regulatory agencies or models for obtaining productive input from stakeholders. Typically, a presentation by experts on a topic at one workshop would lead to individual intersessional tasks for participants before the next workshop

---

8 For example, “discipline leader” would include the chief veterinary officer or plant protection officer in the case of SPS and the head of the standards agency or national director of technical laboratories in the case of TBT.
There would be a strong orientation towards the identification and development of joint regional initiatives to promote more effective SPS/TBT management at the regional level. Another important theme would be the identification and development of common approaches to management issues.

Specific management topics, as adapted to the management of SPS or TBT regulatory regimes, could include the following:
- Agency governance
- Programme structure
- Management by objective
- Performance measurement
- Merit-based recruitment and promotion
- Human resource planning
- Business risk analysis and management
- Accountability and reporting
- Stakeholder liaison
- Financial planning, service pricing and cost recovery
- Ethics and integrity

More details on these and other topics applicable to SPS management are provided in annex V.

There would be a component in each programme dealing in detail with the relevant WTO agreement (SPS or TBT) and other multilateral aspects. Examination of the WTO instruments would consider not only the issues surrounding compliance with obligations but also the use of WTO rights under the agreements to improve market access for exports.

Incentives to participants to engage fully and energetically in the successive phases could be provided in the third year by the prospect of study tours or short-term attachments with like agencies in developed countries for selected individuals, subject to a high standard of performance in the workshops and the achievement of milestones.

Regional workshops would be held in all four Central Asian countries and would include site visits where directly relevant to the curriculum.

Regional workshops could be complemented by subsequent national workshops with the key managers who had attended the regional workshops in a leadership role.

3. Expected outcomes

Consistent with the goals outlined earlier, the two programmes should:
- Significantly enhance participants’ understanding of the management task inherent in the two areas of technical regulation
- Equip participants with a good working knowledge of relevant, contemporary management tools and techniques
- Enable participants to formulate viable, competent management plans for their organizations, which would utilize these tools and techniques
- Strengthen mutual knowledge and trust between counterpart managers and organizations in Central Asia
- Develop outlines for cooperative initiatives between the Governments of Central Asia in the fields of SPS and TBT
• Establish relationships, through study tours, among Central Asian SPS/TBT authorities and with key individuals in major trading partner countries and counterparts in developed countries, which could be the basis of further mentoring

4. Cost

Indicative costs for each of the two programmes are shown in Table 2, based on the following assumptions:
- Seven participants from each of the four countries
- Six three-day workshops over a three-year period
- Two international experts at each workshop and
- A preparatory mission to each of the four capitals carried out by international experts

Table 2. Project 4: Indicative costs for each programme (United States dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants’ travel and per diem</td>
<td></td>
</tr>
<tr>
<td>126 inter-capital return airfares @ average $300(^a)</td>
<td>37 800</td>
</tr>
<tr>
<td>210 days of per diem @ $100 per day</td>
<td>21 000</td>
</tr>
<tr>
<td>Workshop costs</td>
<td></td>
</tr>
<tr>
<td>Venue hire for 18 days @ average $500 per day</td>
<td>9 000</td>
</tr>
<tr>
<td>Lunch and coffee breaks for 35 persons for 18 days @ $15 per day</td>
<td>9 450</td>
</tr>
<tr>
<td>Russian-English interpreters for 18 days @ $250 per day</td>
<td>4 500</td>
</tr>
<tr>
<td>Translation of documents (Russian-English)</td>
<td>5 000</td>
</tr>
<tr>
<td>International experts</td>
<td></td>
</tr>
<tr>
<td>14 base-to-Central Asia return economy fares @ average $4000(^b)</td>
<td>56 000</td>
</tr>
<tr>
<td>8 inter-capital return airfares @ average $300(^c)</td>
<td>2 400</td>
</tr>
<tr>
<td>100 days of per diem @ $150 per day</td>
<td>15 000</td>
</tr>
<tr>
<td>240 days of experts’ fees @ average $750(^d)</td>
<td>180 000</td>
</tr>
<tr>
<td>Study tours</td>
<td></td>
</tr>
<tr>
<td>12 tours based on three per country @ average $15000 per tour</td>
<td>180 000</td>
</tr>
<tr>
<td>Miscellaneous and contingencies</td>
<td>20 000</td>
</tr>
<tr>
<td><strong>Total (each programme)</strong></td>
<td>540 150</td>
</tr>
<tr>
<td><strong>Total (both programmes)</strong></td>
<td>1 080 300</td>
</tr>
</tbody>
</table>

Notes:
\(^a\) Based on approximate Tashkent–Almaty return excursion fare.
\(^b\) Based on one London-Tashkent ($3 000) and one Washington-Tashkent ($5000) for each workshop, plus preparatory mission.
\(^c\) For preparatory mission.
\(^d\) Based on 10 days preparation and seven days travelling/in-country for each workshop plus eight days preparation and 10 days travelling/in-country for preparatory mission for each expert.
The main variables in the estimation of costs are the number of workshops, the number of participants, the number and pay scale of the experts and the number of study tours. Follow-up national workshops could also be included in the cost estimates.

5. The role of ESCAP and other donors

The total cost of the project, including both the SPS and TBT components, is estimated at $1.08 million. It would be appropriate for some of this cost to be met by the beneficiary countries, in cash or in kind (for example, by providing conference facilities and translators/interpreters).

ESCAP could mobilize the necessary resources and manage the implementation of the project. Moreover, the project model would be equally applicable in many other regional settings, such as for group of ASEAN, Pacific, African or Latin American countries, which could stimulate donor interest. It should also be noted that the projected cost of the SPS component is of the same order of magnitude as the projects targeted by the Standards and Trade Development Facility.9

6. Relationship to other technical assistance activities

The proposed initiative should be set up so that it is in harmony with and builds upon any other recent or current management improvement initiatives in Central Asian administrations. For example, in Tajikistan, the World Bank has sponsored a project (P096861) to provide technical assistance for administrative reform in 2006-2011 along the following lines:

The Public Sector Reform Project aims to assist the Tajikistan Government in implementing its Public Administration Reform Strategy (PARS). There are five project components. Component 1, civil service management, is comprised of two subcomponents, which a) strengthen civil service management and coordination capacity, introduce modern human resources management procedures into the civil service, and improve civil service incentive systems; and b) strengthen the civil service training system. Component 2 supports implementation of key reforms under the public administration reform strategy, and is comprised of four subcomponents: a) horizontal functional review of the government; b) a vertical functional review and technical assistance to the Ministry of Labor and Social Protection focusing on the service delivery system in social protection and employment policies as a pilot for the reform of social service delivery systems; c) technical assistance and capacity building for the structures in charge of public administration reform management in the Executive Office of the President; and d) implementation of public administration reforms. Component 3 builds capacity in budget management by a) developing an integrated public financial management system; and b) improving efficiency and equity in resource allocation.

---

9 See <<http://stdfdb.wto.org>>
allocation in the primary health care system. **Component 4 builds capacity in regulatory management by a) improving regulatory quality and service delivery of inspections agencies; and b) promoting legal development and transparency. (emphasis added)** Component 5 supports effective management of governance reforms by a) project management and b) reform monitoring. (World Bank, 2008)

The plans and achievements of this project would, in effect, define the starting point for the initiative in relation to Tajikistan, which would operate at a more detailed level and deal very specifically with the management challenges facing SPS/TBT organizations. An examination of the detailed design of the World Bank project shows that, in broad terms, its objectives are consistent with those of the proposed initiative, but there would be minimal overlap in terms of specific activities. Component 4 of the project concerns capacity-building in regulatory management and costs $0.66 million). It is described as follows:

Recent surveys on regulatory management institutions indicate lack of predictability in policy making, bureaucratic inefficiency, and usage of outdated regulations. These have impeded innovation and created a barrier to trade and investment. Moreover, survey data indicates that unofficial payments made to various inspection agencies have increased between 2002 and 2005.

The objective of this component is therefore to enhance transparency and accessibility in regulatory management, through capacity-building and advisory support to the Ministry of Justice and pilot inspection agencies. The implementing agencies for this component are the Ministry of Justice, The Sanitary Epidemiological Services (SES) and the Fire and Safety Inspectorate.

The first subcomponent will finance capacity development activities to address some of the issues related to the inspection functions raised above. Specifically, the project will:

a. provide consultancy services to the two agencies to review existing normative acts and bring them up to date with internationally accepted technical regulations;

b. provide support in reviewing the internal instructions of these agencies, and provide advice on their possible improvement;

c. train inspectors to follow the new norms and standards.

The second subcomponent will finance selected capacity building activities for the Ministry of Justice, including:

a. Capacity building for the department responsible for legal documentation to assist with; (i) the creation of a recording procedure to ensure maintenance of a comprehensive record of regulatory documents; and (ii) a review of existing regulations and norms and identifying those which are outdated or from the Soviet period.

b. Assistance in networking the line ministries, agencies, and those with legislative initiative to the MoJ. (World Bank, 2006b, p. 10)
An analysis of relevant components of the European Union’s TACIS project in 2005-06 and the strategic plan for the period to 2013 shows no potential conflict or duplication with the present proposal. Nor were any conflicts or duplications found with respect to any other relevant technical assistance initiatives identified in the course of background research for this report.

7. Brief strength, weakness, opportunity and threat (SWOT) analysis

A SWOT analysis of the proposed initiative would identify at least these issues:

- **Strengths**
  - The project addresses an area of real need where, if circumstances are favourable, it will be possible to catalyse real improvement in the service of trade goals as well as biosecurity and the achievement of other legitimate objectives
  - The project design is flexible so that subject matter can be adjusted to meet the specific needs identified by beneficiaries
  - The investment of additional resources can be made contingent upon the successful completion of earlier phases

- **Weaknesses**
  - Public administration in developing countries tends to be exceptionally vulnerable to detailed intervention from the political domain, rendering management initiatives by public officials less effective or irrelevant
  - The proposed initiative requires very experienced and capable international experts who may be difficult to recruit and retain over the life of the project

- **Opportunities**
  - Each of the Governments has declared its intention to promote public sector reform, including both administrative reform and the regulatory reforms needed to improve public governance and reduce corruption, but with the exception of Kazakhstan, administrative reforms have barely begun
  - Central Asian countries are likely to have many commonalities on SPS and TBT regulation, and it is probable that Governments will endorse the programme proposal as relevant to their needs
  - There is no evidence that any other organization is addressing this set of issues from a highly practical perspective

- **Threats (conscientious risk management required)**
  - During the implementation of the programme, personnel changes within SPS/TBT agencies may remove participants in the initiative from the positions for which management development is needed
  - Political developments may make trans-border cooperation among counterpart agencies more difficult or impossible
  - Unsuitable people may be nominated for training and study tours.
E. Project 5: Making SPS/TBT expertise available locally

1. Proposal

It is proposed that ESCAP consider how it could facilitate the establishment of expert adviser positions dealing with SPS and TBT matters in the Central Asian region, with the broad purpose of assisting public administration in these subject areas and enhancing trade opportunities.

2. Activities

The main objectives of stationing such advisers in Central Asia would be:

- To provide a generally available resource for information and expert advice on SPS and TBT issues
- To facilitate SPS and TBT capacity-building activities by the four Governments and the private sector
- To enhance information flows and liaison networks within and among the four countries and with relevant parties in other countries outside the region
- To assist the private sector in anticipating and overcoming SPS and TBT barriers to export trade development

With these objectives in mind, the main activities of the SPS/TBT advisers would be the following:

- To establish effective working relationships with all relevant organizations and individuals, become familiar with current SPS- and TBT-related activities and plans and participate in established coordination processes and mechanisms as appropriate
- To encourage and facilitate a coordinated approach to SPS and TBT capacity-building in Central Asia based on systematic and comprehensive needs assessment
- To consult with stakeholders to identify key SPS and TBT capacity-building needs in the four countries, assist in the formulation of project proposals and provide advice as appropriate to potential donors
- To establish appropriate mechanisms for the regular dissemination of relevant information on national and international SPS- and TBT-related activities
- To respond to requests for information and advice on SPS- and TBT-related issues and where necessary, obtain a response on the more complex matters from relevant national and international bodies
- To encourage and facilitate the development of expertise on SPS and TBT issues in nationals of the four countries through dialogue, training, coaching and mentoring

10 The proposal described in this section is based on a project design prepared several years ago for the Standards and Trade Development Facility.
• To utilize a modest tranche of funds to support small, high-return activities consistent with the above-listed tasks and the broader objectives

3. Management

Overall management of the project would be the responsibility of ESCAP, which would designate an officer to perform this function. ESCAP would also select the contractors to serve as SPS/TBT advisers for Central Asia. Management would be carried out by ESCAP with the assistance of contact groups consisting of representatives of the four countries, who would liaise regularly with the advisers.

4. Budget and period

The SPS/TBT advisers would be appointed for a period of two to three years. The total cost of the project is estimated at $1 million for two years. The indicative budget for one adviser is shown in Table 3.

Table 3. Project 5: Estimated project costs (United States dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Year 1 (US$)</th>
<th>Cost Year 2 (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Personnel: SPS/TBT adviser and assistant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary and allowances</td>
<td>135 000</td>
<td>140 000</td>
<td>275 000</td>
</tr>
<tr>
<td>Salary – local assistant</td>
<td>5 000</td>
<td>5 200</td>
<td>10 200</td>
</tr>
<tr>
<td><strong>Total A</strong></td>
<td>140 000</td>
<td>145 200</td>
<td>285 200</td>
</tr>
<tr>
<td><strong>B. Logistics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>8 000</td>
<td>8 300</td>
<td>16 300</td>
</tr>
<tr>
<td>Personal effects</td>
<td>10 000</td>
<td>10 400</td>
<td>20 400</td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office space and services</td>
<td>12 000</td>
<td>12 500</td>
<td>24 500</td>
</tr>
<tr>
<td>Consumables/telecommunications</td>
<td>5 000</td>
<td>5 200</td>
<td>10 200</td>
</tr>
<tr>
<td>Local travel</td>
<td>5 000</td>
<td>5 200</td>
<td>10 200</td>
</tr>
<tr>
<td>International travel</td>
<td>3 000</td>
<td>3 100</td>
<td>6 100</td>
</tr>
<tr>
<td><strong>Total B</strong></td>
<td>43 000</td>
<td>44 700</td>
<td>87 700</td>
</tr>
<tr>
<td><strong>C. Project activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studies</td>
<td>9 000</td>
<td>9 400</td>
<td>18 400</td>
</tr>
<tr>
<td>Project support</td>
<td>10 000</td>
<td>31 200</td>
<td>41 200</td>
</tr>
<tr>
<td>Training/advice in-country</td>
<td>15 000</td>
<td>15 600</td>
<td>30 600</td>
</tr>
<tr>
<td>Training abroad</td>
<td>10 000</td>
<td>10 400</td>
<td>20 400</td>
</tr>
<tr>
<td>Liaison, etc. and incidentals</td>
<td>2 000</td>
<td>2 000</td>
<td>4 000</td>
</tr>
<tr>
<td><strong>Total C</strong></td>
<td>46 000</td>
<td>68 600</td>
<td>114 600</td>
</tr>
<tr>
<td><strong>D. Contingency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td>10 000</td>
<td>10 000</td>
<td>20 000</td>
</tr>
<tr>
<td><strong>Total D</strong></td>
<td>10 000</td>
<td>10 000</td>
<td>20 000</td>
</tr>
<tr>
<td><strong>Total A+B+C+D</strong></td>
<td>239 000</td>
<td>268 500</td>
<td>507 500</td>
</tr>
</tbody>
</table>
Notes:

a Estimates for Year 2 include an allowance of 4 per cent (rounded for some items) for inflation.

b The package for the adviser, which would be negotiable according to qualifications and experience, assumes that the individual selected is married with two children who would require enrolment in an international school. The rate shown is considered to be reasonable for the long-term engagement in Central Asia of a professional with the level of experience and skill required.

c It is assumed that the locally employed assistant is an experienced professional with good Russian and English language, interpersonal, and organizational skills, and preferably with a business background. The assistant’s primary roles would include interpretation/translation, liaison, research, event organization, office management and, if necessary, driving.

d Aggregate costs would be reduced by about $35000 if the individual selected as adviser were already based in Central Asia.

e This assumes that the adviser’s office would be located on the premises of a suitable international organization, such as ADB, FAO or the World Bank.

f The estimate for local travel includes transportation by car within and around the base city plus about 20 days per year in the neighbouring Central Asian countries.

h It is assumed that the adviser will visit ESCAP headquarters in Bangkok for one week at the beginning and end of the mission for briefing/debriefing.

i It is assumed that the adviser could productively spend $50000-60000 per year on small-scale, high-return activities. The activities shown here are for purposes of illustration only. They include the following:

- Brief studies commissioned from relevant organizations and individuals on specific SPS/TBT trade-related topics
- The funding of incremental costs for international professionals with SPS-related expertise who are travelling in the region to participate in discussions and training sessions with local stakeholders
- International visits by selected stakeholders in the public and private sectors to take advantage of training opportunities in SPS/TBT trade-related matters, such as through short missions to relevant institutions in other countries in the region

5. Implementation

The advisers would be required to formulate an initial work plan and revise it at appropriate intervals. Their work would be facilitated by the appointment of locally-based contact groups including representatives of the World Bank, FAO and WHO, several bilateral donor bodies, the Governments of the four Central Asian countries and the private sector. The project’s progress would be monitored against milestones set out in the initial and revised work plans. The advisers would report directly to the ESCAP project manager on a regular basis, through monthly activity reports, a mid-term review and an end-of-mission overview report with recommendations. There may be additional reports specific to particular sub-projects, especially where such documentation would facilitate the demonstration aspect of the project.

6. Strength, weakness, opportunity and threat analysis

A SWOT analysis of the SPS/TBT advisers’ proposal would identify at least the following issues:

- The principal strengths of the project include the following:
  - The availability in Central Asia of expert advice on SPS and TBT issues on a continuous basis would meet a clear and urgent need in both the public and private sectors
  - The services of the SPS/TBT advisers would make a significant contribution to trade facilitation and – in this respect and by
helping to improve food safety – the project would support the poorer segments of society
- Public and private sector support would be quite likely
- Implementation could be flexible to meet emerging needs and priorities
- The transfer of relevant expertise to Central Asian nationals would be an important aspect of the advisers’ mandate
- If successful, the model could easily be replicated in other developing countries
- There would be no overlap with other current or planned technical assistance activities in Central Asia
- The position would complement the activities of other proposed adviser positions
- The risk of resources being diverted to unapproved uses would be minimal

• The main weaknesses of the proposal are the following:
  - It may prove difficult to attract a suitably qualified individual to accept the position for a two-year term
  - Insufficient discipline in focusing on the highest priorities may lead the advisers to spread their available time too thin
  - There may be some local scepticism about the provision of technical assistance in the form of advisory services rather than through infrastructure investment

• The main threats to the success of the project are the following:
  - The advisers’ performance may be below expectations
  - The advisers may be “captured” by a host institution wishing to use the advisory resource exclusively for its own purposes
  - Greater potential for the levying of illegal fees and charges may be created by initiatives that facilitate the development of regulatory institutions and programmes
  - There may be resentment from donors and public sector bodies if they infer that the adviser has a coordinating role on SPS/TBT matters
  - Effective working relationships with important local institutions are essential but also vulnerable to differences that may arise over priorities and expectations or personality and style

• The main opportunities presented by the proposal are the following:
  - Significant awareness about SPS/TBT/trade development issues in the private sector
  - Cost-effective targeting of a larger share of donor resources to standards/trade issues
Annex I.

Central Asian affiliations with regional groupings

Regional organizations (sectoral coverage)

<table>
<thead>
<tr>
<th>Regional Orgs.</th>
<th>Sector</th>
<th>Shanghai Cooperation Organization</th>
<th>Economic Cooperation Organization</th>
<th>Central Asia Cooperation Organization</th>
<th>Central Asia Regional Economic Cooperation</th>
<th>Central and South Asia Transport and Trade Forum</th>
<th>Eurasian Economic Community</th>
<th>International Fund for Saving the Aral Sea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The Central Asian Cooperation Organization merged with the Eurasian Economic Community in 2006.
Annex II.

Abstracts from Central Asian veterinary and plant health cooperation agreements

LEX-FAOC066543: Agreement between the Government of Kazakhstan, the Government of Kyrgyzstan, the Government of Tajikistan and the Government of Uzbekistan on cooperation in the veterinary sphere.

**Original title:** СОГЛАШЕНИЕ между Правительством Республики Казахстан, Правительством Кыргызской Республики, Правительством Республики Таджикистан и Правительством Республики Узбекистан о сотрудничестве в области ветеринарии

**Date of text:** 08 June 2000.

**Entry into force notes:** The Agreement enters into force from the date of signature.

**Type of text:** Agreement

**Related web site:** http://pravo.uz

**Full text available (Russian):** http://faolex.fao.org/docs/texts/mul-66543.doc

**Comments:** The Agreement shall be valid for five years and it will be automatically extended for an indefinite number of five-year periods. Any of the Parties can withdraw from the Agreement by giving six months written notice to the depositary.

**Abstract:**
The Parties have agreed to undertake the necessary arrangements to prevent the propagation of infectious animal diseases from one country to another during the transport and transit of animals (art. 1). The Parties shall observe veterinary and sanitary requirements for the import, export and transit of cargo subject to veterinary inspection in conformity with international agreements and the national legislation of the Parties (art. 4). The Parties pledge to: (a) exchange legislative acts regulating measures to prevent infectious animal diseases within two months of the date of publication; (b) exchange information on the onset and propagation of infectious animal diseases; (c) exchange scientific information published in State and journals and publications related to the prevention of infectious animal diseases; and (d) render mutual scientific and technical assistance related to the prevention of infectious animal diseases (art. 5).

**Keywords (Livestock):** international agreement-text; pests/diseases; access to information; international trade; inspection

LEX-FAOC066546: Agreement between the Government of Kazakhstan, the Government of Kyrgyzstan, the Government of Tajikistan and the Government of Uzbekistan on cooperation in the sphere of plant quarantine.

**Original title:** СОГЛАШЕНИЕ между Правительством Республики Казахстан; Правительством Кыргызской Республики, Правительством Республики Таджикистан и Правительством Республики Узбекистан о сотрудничестве в области карантина растений

**Date of text:** 08 June 2000.

**Entry into force notes:** Each Party shall notify the depositary of the fulfilment of the internal procedures that are necessary for the entry into force of the present Agreement. The Agreement shall enter into force on the date of receipt of the last notification.

**Type of text:** Agreement

**Related web site:** http://pravo.uz
The Agreement shall be valid for five years and it will be automatically extended for one or more five-year periods unless the Parties decide otherwise. Any of the Parties can withdraw from the Agreement by notifying the deposition in writing six months in advance.

Abstract:
The Parties shall carry out the necessary arrangements for quarantine inspection during the import, export and transit of plant materials (art. 3). The Parties shall: (a) undertake arrangements to prevent the introduction of quarantined organisms into the territory of one of the Parties through the import, export or transit of cargo; (b) exchange legislative acts regulating plant quarantine within two months of the date of publication; (c) exchange scientific information published in journals and publications related to plant quarantine; and (d) exchange experts (art. 5). Each lot of cargo subject to quarantine inspection shall be accompanied by a phytosanitary certificate (art. 6). Paper, plastic and other materials used for packaging shall be free of soil, natural plant materials shall not be used as packaging except by prior arrangement and the means of transport must be cleaned and, if necessary, disinfected (art. 8).

Keywords (Cultivated plants): international agreement-text; quarantine; plant material/seeds; packaging/labelling; certification; transport/storage; inspection; international trade
Annex III.

Central Asian Cooperation on Metrology, Accreditation, Standardization and Quality (CAC-MASQ)

The following extract provides an insight into the difficulties encountered by a USAID-funded initiative to establish a Central Asian regional body for cooperation on metrology, accreditation, standardization and quality (CAC-MASQ):

TFI [USAID Trade Facilitation and Investment Project] first began addressing issues related to standards, certification and accreditation on a country by country basis. For example, as early as 2000, standards and certification were identified as a major barrier to trade, investment and business development and their removal was included in the Scope of Work of the USAID Regulatory Reform Project in Kyrgyzstan and later into TIP/TFI. The initial approach focused on working with the local standards bodies (GosStandards) to reduce the amount of product regulation and the cost of compliance, and improve the transparency of the process. It soon became clear, however, that these issues have both legislative and institutional features that required a more holistic approach. For example, reform of the GOST system is a requirement of the WTO (TBT and SPS agreements) and the related laws and regulations of the countries in the region needed to be revised and brought into compliance. In this way, they would not only conform to the rules of the global trading community, but they would also presumably open markets for Central Asian goods. However, in order for the rules to be properly applied, the proper institutional arrangements need to be in place; otherwise the system under which product safety and testing is performed provides no assurance and goes unrecognized by other members, particularly those outside the CIS.

In order to achieve international mutual recognition of accreditation and certification activities, the countries of Central Asia first need to achieve a level of mutual recognition and trust among themselves. This is something that is repeatedly stated and included in bilateral and multilateral agreements between the countries but is rarely practiced. Furthermore, achieving international mutual recognition of accreditation and certification results is a costly endeavor, requiring upgrades to laboratories, trainings and regular participation in the activities of international organizations. For this reason, in 2003, with assistance from TFI, the Central Asian Cooperation on Metrology, Accreditation, Standardization and Quality (CAC-MAS-Q) was established, striving to align the MAS-Q activities of the four countries in the region in order to eventually achieve international mutual recognition. A regional approach also allows each country to share their respective technical capabilities and resources, as no single country in the region has the resources or capacity to build a stand-alone MAS-Q infrastructure without major investment from outside. This also benefits the providers of technical services and businesses
needing those services. Finally, mutual recognition minimizes the need for re-testing and re-certification, reduces costs and eliminates non-tariff barriers to trade and market access delays.

Through TFI’s direct support, the CAC-MAS-Q has achieved many goals including official confirmation from the Secretariat of the International Accreditation Forum (IAF) that the CAC-MASQ had been granted Special Member status. This is a real vote of confidence and indicates that the IAF Board of Directors believes it is in the best interests of the Members of IAF to develop closer relationships with the CAC. Additionally, NCSL International, the world’s largest technical association in the fields of metrology, standards and conformity assessment has established a new regional section in Central Asia and the CAC-MAS-Q has been appointed as the contact point for the region. Enhanced relationships with IAF and NCSL will further enhance the visibility of MAS-Q activities in Central Asia and are further progress toward achieving mutual recognition for Central Asian accreditation and certification systems.

As mutual recognition will require national accreditation and certification bodies to be accredited by IAF and ILAC recognized bodies, TFI conducted training of technical specialists in government and industry from the four countries in the region to become internationally qualified assessors to perform accreditation of testing and calibration laboratories in full accordance with the International Standard ISO/IEC 17025 “General Requirements for the Competence of Testing and Calibration Laboratories”. Without qualified assessors to perform the accreditation, laboratories in the region cannot achieve accreditation that will be internationally recognized. As of now, there are 72 trained technical specialists in Central Asia, who, under the supervision of an internationally recognized lead assessor, are eligible to participate in the accreditation of test and calibration laboratories in full compliance with the International Standard.

Additionally, the TFI project sponsored membership in international technical organizations and facilitated the participation of members of technical committees of the CAC to attend international technical meetings and special events. A prerequisite for this part of the program included active participation in working groups and technical committees. The participating committee members’ organizations were required to provide 50% of the funding needed to attend.

One of the main barriers to achieving mutual recognition within the region and internationally is outdated equipment and the lack of traceability of measurement to the International System (SI) of measurement. To begin to address this deficiency, TFI, through its contacts in the United States, was able to secure a donation of over $1.0 million of scientific instrumentation and electronic test equipment from the United States Government and the Boeing Corporation for the GosStandards of the region. TFI, in conjunction with the United
States Navy, also conducted a special two week training course for 38 technical specialists from all the regional GosStandards in the use and application of this equipment. Due to the multi-lateral complexities in the MAS-Q area as well as the costs involved, TFI consistently involved other donors in regional activities, including the World Bank, International Trade Centre (ITC) and EU-TACIS, all of whom were implementing projects with similar goals in the region. TFI successfully collaborated with the World Bank in Kyrgyzstan to develop a $5 million grant program to support the development of technical regulations and the required institutional reforms. In Kazakhstan and Kyrgyzstan, TFI and ITC joined forces to promote reform of the system of laboratory accreditation and the acceptance of ISO 17025 and 17011 standards, and TFI and EU-TACIS worked closely to develop a WTO-compliant technical regulation law in Kazakhstan.

The future success and sustainability of the CAC-MAS-Q depends on a number of factors, most crucially the continued cooperation and commitment of the individual members, which, unfortunately, began to wane in mid-2005 for a number of reasons. After the revolution in Kyrgyzstan, the director of the National Institute of Standards and Metrology (NISM), historically the strongest supporter of the CAC-MAS-Q, Mr. Davlesov, was removed from his position and the new director, while initially supportive, has also tried to rollback many of the reforms instituted over the last four years. After the events in Andijan, Uzbekistan, in May 2005 TFI was unable to provide any direct support to the Government of Uzbekistan, which limited our ability to organize and direct the work of the CAC-MAS-Q. Moreover, the director of TajikStandard, Mr. Khatamov, had shown little interest over time in undertaking any of the reforms necessary for the CAC-MAS-Q to be successful.

While TFI continued to believe that mutual recognition of accreditation and certification schemes is a critical factor in reducing transaction costs for cross-border regional trade as well as increasing local SMEs’ access to international markets, it was highly unlikely, given the present environment, that the CAC-MAS-Q would be the driving force towards achieving this objective in the final project year. In fact, until after the Kyrgyz presidential election and the United States Government had determined its level of continued support to the Uzbek Government, no regional agreements or initiatives could even be undertaken by TFI. For this reason, it was determined that it was not cost-effective to continue support to the CAC-MAS-Q as a regional accreditation body that could achieve mutual recognition in the final year work plan. Instead, TFI agreed to provide minimal support to the members of the various technical working groups under the CAC-MAS-Q to promote regional cooperation and encourage national-level reform efforts. These are described in more detail in the country reports.
In November 2005, TFI organized and conducted the 5th meeting of the CAC-MAS-Q in Bishkek for the purpose of discussing the organization’s development perspectives and the new ILAC/IAF approach to regional bodies in light of TFI’s diminishing support. TFI also used the opportunity to invite USAID, the World Bank, ITC, and EU-TACIS to present their own regional programs, learn more about the activities and plans of the CAC-MAS-Q and explore ways of including them in their own development plans. In this respect, the meeting was a complete success, and while no commitments were made, TFI is hopeful that those continuing to support MAS-Q reform in the region will also support the CAC. The meeting concluded with the members of the CAC-MAS-Q electing NISM in Kyrgyzstan to serve as the Secretariat of the organization for the coming year, and in early 2006, TFI officially transferred the Secretariat to NISM, and also provided material support and training. (USAID, 2006, pp. 33-35)
Annex IV.

Overview of the SPS and TBT agreements

Overview of the SPS Agreement

1. The rationale for the negotiation of the SPS Agreement during the Uruguay Round was to establish discipline on the potential use of technical measures (food standards, quarantine controls, and so forth) so as to prevent their arbitrary or unjustified use as barriers to trade. Similar objectives lay behind the development of the TBT Agreement to replace the voluntary GATT Standards Code negotiated in the Tokyo Round and adopted in 1979.

2. The SPS Agreement confirms the right of WTO members to apply any measures that they deem necessary to protect human, animal and plant life or health against certain specified risks. At the same time, it imposes obligations on WTO members to achieve their appropriate level of protection in a manner that does not result in arbitrary or unjustified restrictions on trade. Consequently, SPS measures (laws, regulations, standards, official requirements for inspection, certification, sampling, testing and so forth) must be applied only to the extent necessary, and they cannot be maintained without sufficient scientific evidence. Nor can measures be maintained in a discriminatory way, taking into account relative risks. Measures that are based on international standards, guidelines and recommendations are deemed to meet these requirements, and members are obliged to base their measures on international norms, where available, unless they have a scientific justification for adopting a stricter approach or unless a stricter approach is necessary in order to achieve the appropriate level of protection. Measures that are not based on international norms must be based on a risk assessment that is appropriate to the circumstances, and they must reflect a consistent approach to achieving the acceptable level of risk. Measures may be applied on a provisional basis where insufficient scientific evidence is available to allow a proper risk assessment to be carried out, but the necessary information must be sought for a more objective assessment of risk, and provisional measures must be reviewed within a reasonable period of time.

3. There are special provisions relating to the recognition of areas that are free of pests and diseases or where the incidence of pests and diseases is low and relating to the acceptance by importing countries of measures used by exporting countries that are different from but achieve the same level of protection as the measures specified by the importing country (and which are therefore equivalent).

4. The SPS Agreement contains detailed provisions regarding transparency to ensure that all members can access information about SPS measures actually or potentially affecting their trade with other WTO members. In particular, each member must maintain an enquiry point for the use of other members, and other members must be notified in advance of new measures not based on international norms so that their comments can be taken into account. A single national notification point must be designated or this purpose.

5. The international standards, guidelines and recommendations referenced by the SPS Agreement are the relevant norms promulgated by the Codex Alimentarius
Commission (for food safety) and the OIE (the World Organisation for Animal Health) and under the International Plant Protection Convention. It is important to note that the term *standard* in this context does not have the same meaning as it does in the text of the parallel WTO Agreement on Technical Barriers to Trade (the TBT Agreement). In the SPS Agreement, a standard is a normative specification that is given mandatory application, whereas in the TBT Agreement, a standard is a normative specification for voluntary application, while mandatory norms – whether official or private – are termed *technical regulations*.

**Overview of the TBT Agreement**

6. Under the TBT Agreement, WTO members are expected to base their technical regulations which affect imported goods (such as product quality requirements or rules concerning communications equipment) on international standards where available and relevant. If technical regulations are not based on an international standard but could significantly affect trade, they must be made in a transparent manner and the comments of other countries must be invited and taken into account before finalization. Technical regulations must have a legitimate objective, and they should be no more trade restrictive than is necessary to achieve that objective, taking into account the possibility of adverse outcomes in the event of non-compliance. The measures applied should not discriminate in favour of domestically produced goods, nor in favour of the goods from one exporting country over similar goods from another exporting country. There are parallel provisions concerning conformity assessment procedures (mechanisms mandated by an importing country to verify that a product conforms with the relevant national requirements). The TBT Agreement contains transparency provisions broadly similar to those in the SPS Agreement.

7. Article 3 of the TBT Agreement deals with the preparation, adoption and application of technical regulations by local government bodies and non-governmental bodies (defined as including, but not limited to, a non-governmental body which has legal power to enforce a technical regulation). Broadly, Article 3 obliges members to use reasonable measures available to them to ensure compliance by non-governmental organizations with the provisions of Article 2 of the Agreement (other than the notification aspect). In parallel, Article 8 says that members must use their best endeavours to ensure that non-governmental bodies operating conformity assessment procedures comply with the provisions of the Agreement concerning conformity assessment by government bodies. Article 4 applies the same best endeavours obligation to compliance by non-governmental standardizing bodies with the Code of Good Practice for the Preparation, Adoption and Application of Standards that is annexed to the Agreement, thereby making it mandatory for central government standardizing bodies to accept and comply with the Code of Good Practice.

8. The Code of Good Practice says that standardizing bodies should follow the principles of non-discrimination, avoid unnecessary obstacles to international trade, align themselves with existing international standards, engage with relevant international standardizing bodies, avoid duplication of the work of other standardizing bodies, specify standards for product requirements in terms of
performance rather than design or descriptive characteristics, be transparent and consult with interested parties. Standardizing bodies that accept the Code must notify the ISO/IEC Information Centre, which regularly publishes a list of such bodies. The list published in January 2006 contained standardizing bodies from 113 countries as well as Hong Kong, China, and European organizations. The majority of the bodies on the list are central Government standards agencies, and most of the rest are broad-based national standards bodies whose activities are not confined to a single sector of industry.
Annex V.

Potential modules and components for an SPS management toolkit for regulatory agencies in Central Asia

- **Structuring SPS regulatory agencies**
  - optimizing administrative arrangements to achieve SPS objectives
  - centralization versus regionalization
  - effective cooperation with related agencies

- **Regulatory strategies**
  - command-and-control regulation
  - regulatory partnership and co-regulation
  - use of quality assurance systems, HACCP, etc.
  - appropriate levels of protection

- **Management development**
  - modelling executive leadership in a regulatory organization
  - coaching, mentoring and other management development techniques
  - measuring management performance
  - staff feedback mechanisms
  - business concepts and regulatory agencies of government
  - integrating science and operational management

- **Business planning**
  - strategic planning
  - annual and triennial business planning
  - needs assessment and the estimation of resource requirements
  - prioritization
  - performance indicators, milestones and reporting obligations
  - the optimization of international technical assistance

- **Business risk management**
  - biosecurity risks and business risks
  - identifying and evaluating business risks
  - strategies and techniques for controlling business risks
  - biosecurity/food safety breakdowns and crisis management
  - management information systems

- **Financial management**
  - cost recovery policy
  - mechanisms for cost recovery
  - financial reporting systems

- **Performance measurement and evaluation**
  - biosecurity/food safety system testing by trial emergency exercises
  - the role of external evaluation
  - evaluation of individual staff members’ performance
• **Human resource development**
  - recruitment and promotion protocols
  - defining, building and retaining technical skills
  - relevant training tools and resources
  - individual development plans
  - staff consultation and industrial relations
  - remuneration principles

• **Integrity**
  - code of ethics for agency staff
  - incentive structures
  - internal audit and investigation
  - building a reputation for integrity

• **Compliance and enforcement**
  - investigation protocols
  - ensuring the integrity of compliance staff
  - penalty and incentive structures

• **Legal framework**
  - principles of the legal framework (clarity of purpose, comprehensiveness, minimization of overlap between agencies, primary versus subordinate legislation, etc.)
  - optimizing trade-offs (e.g. administrative flexibility versus risks of inconsistency, uncertainty and scope for corruption)

• **Communications**
  - communications policy
  - media skills development
  - media management in emergency situations
  - identifying stakeholders and their role
  - mechanisms for communicating with stakeholders

• **Record-keeping and management**
  - policy on record-keeping

• **Information technology applications**
  - recording border interceptions and other specialized applications
  - electronic certification of SPS requirements (export and import)

• **Government relations**
  - informing and advising Ministers on SPS issues
  - clarifying government policy directions

• **International relations**
  - meeting WTO obligations
  - participation in WTO SPS activities
  - dealing with counterpart agencies of trading partner countries
  - participation in international standard-setting organizations
  - bilateral liaison and negotiation on SPS issues
• **Technical perspectives on the management of SPS organizations**  
  o animal health perspective  
  o plant health perspective  
  o food safety perspective  

• **Export enhancement strategies**  
  o development of technical market access strategy  
  o stakeholder input
References


USAID, 2006. Trade Facilitation And Investment Project Contract # 116-C-00-01-00015-00 Final Report (implemented by Pragma Corp.).


**Bibliography**


