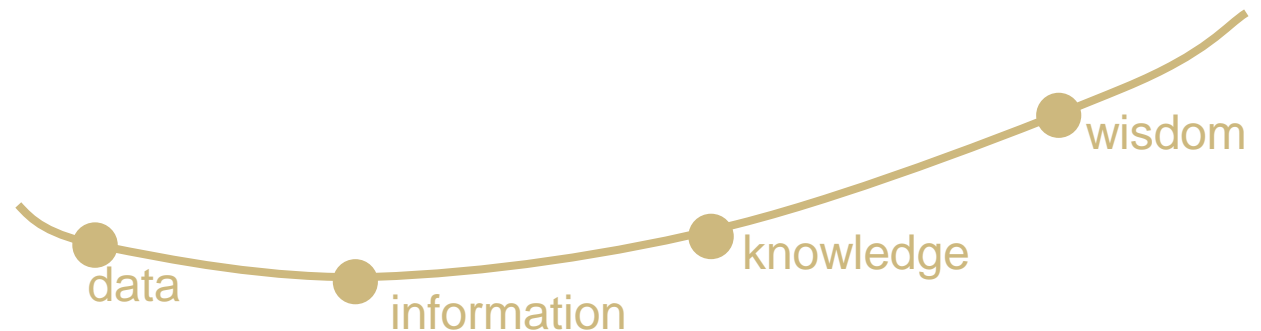




Session 3: Instruments

Geneva, 14 September 2021

Christian Knebel, Seul Lee, Mingcong Li, Ralf Peters, Divya Prabhakar
UNCTAD



Elimination of NTMs is not (always) an option

-> Need to strike a balance to get benefits and minimize costs



- Protect consumers, safety, health, protect environment
 - Non-trade policy objectives
 - ‘Good reputation’ effect



- Overregulate, unnecessary burden, protectionist

- **Transparency reduces costs**
- **Good Regulatory Practices (GRP)**
 - Quality of the design of the NTMs
 - Coordination within government, stakeholders, ...
- **Implementation**
 - Efficient procedures (TF)
- **Regulatory Cooperation**
 - International Standards
 - Regional trade agreements, Mutual recognition
- **NTB Elimination Mechanism**

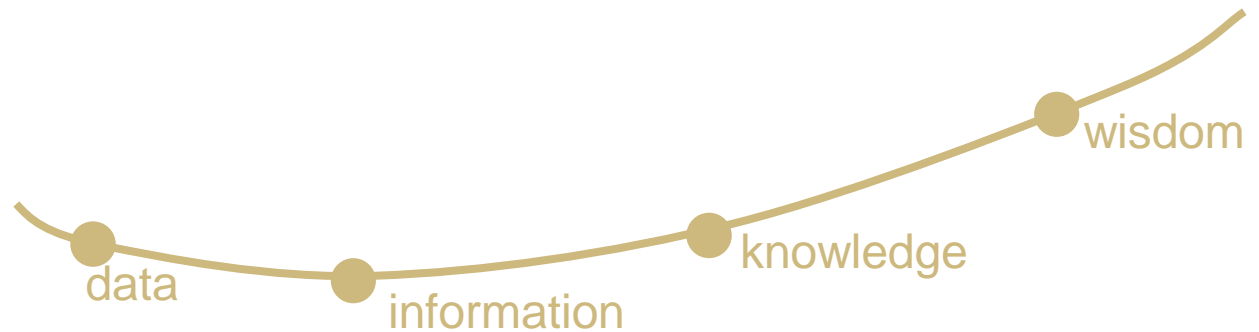




Transparency

Geneva, 14 September 2021

Ralf Peters
UNCTAD



Lack of *transparency* is a major cost factor

→ NTM data collection: from text to data

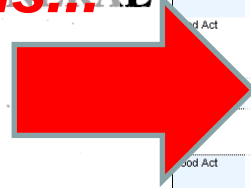
The Gazette of the Democratic Socialist Republic of Sri Lanka EXTRAORDINARY

අංක 1376/9 - 2005 ජනවාරි 19 වැනි බදාදා - 2005.01.19
No. 1376/9 - WEDNESDAY, JANUARY 19, 2005

(Published by Authority)

14 561 different regulations...

On several millions of pages from numerous agencies, various websites or offline



| Document Title | Regulation Title | NTM Code | Implementation Date | Measure Repealed | Measure Description | Affected Products | Affected Countries |
|----------------|--|----------|---------------------|------------------|---|--|--------------------|
| Food Act | Food (Control of Import, Labelling, and Sale of Locally Produced) Regulations 2005 | B14 | 01/01/2007 | | Needs to get approval of the Chief Food Authority in order to import | Food products | All countries |
| Food Act | Food (Control of Import, Labelling, and Sale of Locally Produced) Regulations 2005 | B31 | 01/01/2007 | | Labelling Requirements | Food products | All countries |
| Food Act | Food (irradiation) Regulations 2005 | A81 | 01/05/2005 | | Labelling Requirements | Food products that had been treated with irradiation | All countries |
| Food Act | Food (irradiation) Regulations 2005 | A83 | 01/05/2005 | | Documentation that the Food products have not been treated with irradiation | Food products that had been treated with irradiation | All countries |
| Food Act | Food (irradiation) Regulations 2005 | A85 | 01/05/2005 | | Documentation that the Food products have not been treated with irradiation | Food products that had been treated with irradiation | All countries |
| Food Act | Food (irradiation) Regulations 2005 | P62 | 01/05/2005 | | Certification by the competent authorities of the country of origin that the food has been inspected | Food products that had been treated with irradiation | All countries |
| Food Act | Food (Melamine in Milk and Milk Products) Regulations 2010 | A22 | 01/01/2011 | | Specifying permitted ppm levels of melamine in milk and milk products | Milk and Milk Products | All countries |
| Food Act | Food (Melamine in Milk and Milk Products) Regulations 2010 | A83 | 01/01/2011 | | In certificate required from the National Food Safety Authority of the country of origin that the products conform to the specified standards | Milk and Milk Products | All countries |
| Food Act | Food (Packaging materials and articles) Regulation 2010 | A32 | 01/05/2011 | | Marking requirements - need to print the words "FOR FOOD USE" or any other relevant words or symbols as indicated in the regulation | Food packaging material | All countries |
| Food Act | Food (Packaging materials and articles) Regulation 2010 | A83 | 01/06/2011 | | Certification by the manufacturer that the material meets required quality standards | Food packaging material | All countries |
| Food Act | Food (Packaging materials and articles) Regulation 2010 | A22 | 01/06/2011 | | Restricted use of certain substances in food packaging material | Food packaging material | All countries |
| Food Act | Food (Preservations) Regulations | A19 | 01/01/1991 | | Prohibited to import, manufacture, sell or distribute food preservatives other than those specified in the regulation & food which has in or upon it any preservative that is permitted by the regulation | Food preservatives | All countries |

50 511 measures

→ Easy access by:

- Product (HS codes)
- Type of measure
- Country
- Keywords

→ Most are SPS: 19'556 NTMs

Regulations

01. These Regulations may be cited as " Food (Labelling and Advertising) Regulations 2005."

02. No person shall sell, offer for sale, expose or keep for sale, transport or advertise for sale, any food container unless such package or container is labelled in accordance with these regulations.

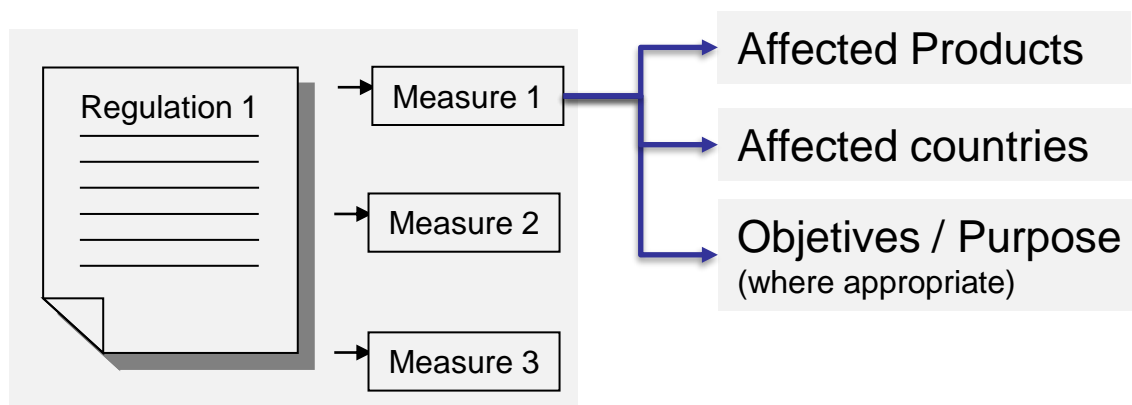
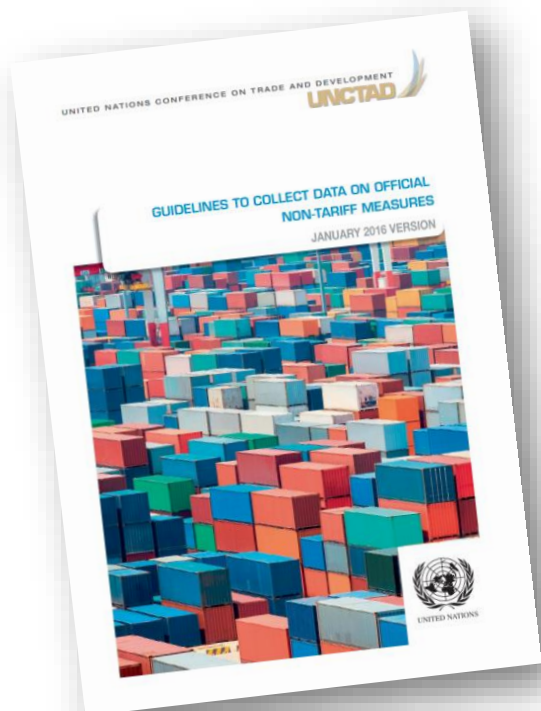
Provided however that, these regulations shall not apply to any package of food if the food is of the national brand requested by the purchaser and is weighed, counted or measured in the presence of the purchaser.

NIMAL SIR
Minister of Health
Uva Wellas

Colombo.
17th January, 2005.

GUIDELINES TO COLLECT DATA ON OFFICIAL NON-TARIFF MEASURES

2019 version <https://unctad.org/ntm>



* Overview legal architecture
What to look for, and where

* Collect & register all relevant data (Regulations, laws)

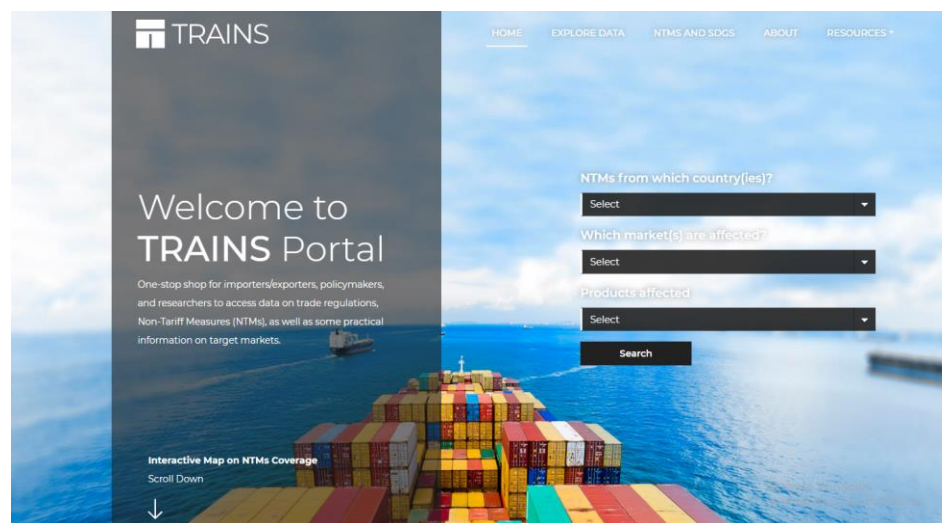
* Identify Measures in each Regulation

* Assign product codes and countries affected!

What to look for, and where

Data dissemination

- NTM data easily accessible: TRAINS NTM database
 - by product,
 - by country,
 - by trade partner



<https://trainsonline.unctad.org/>

- For Policy Makers: trainsonline.unctad.org
- For researchers: wits.worldbank.org
- For companies: www.globaltradehelpdesk.org



PACER Plus Transparency Programme

- Development of **National Trade Portal** per country & Regional Trade Portal
 - Publish
 - Step-by-step overview of **procedures**
 - **Regulations** with legal text and additional information
 - Notify Contact Points of other PACER Plus countries
 - Provide an opportunity to comment to Contact Points and the Public
 - Provide useful knowledge on **trade and gender nexus**

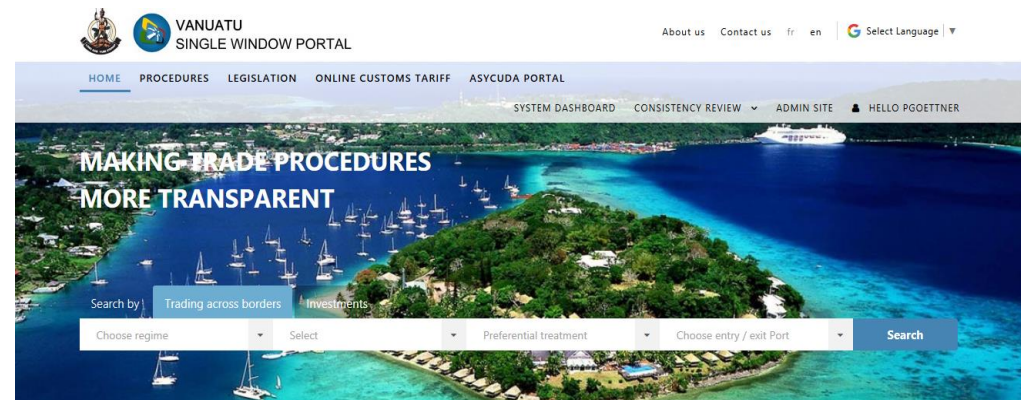
- For example,

- Vanuatu Trade Portal

<https://tradesinglewindow.gov.vu/>

- Regional Trade Portal

<http://pacific.tradeportal.org>

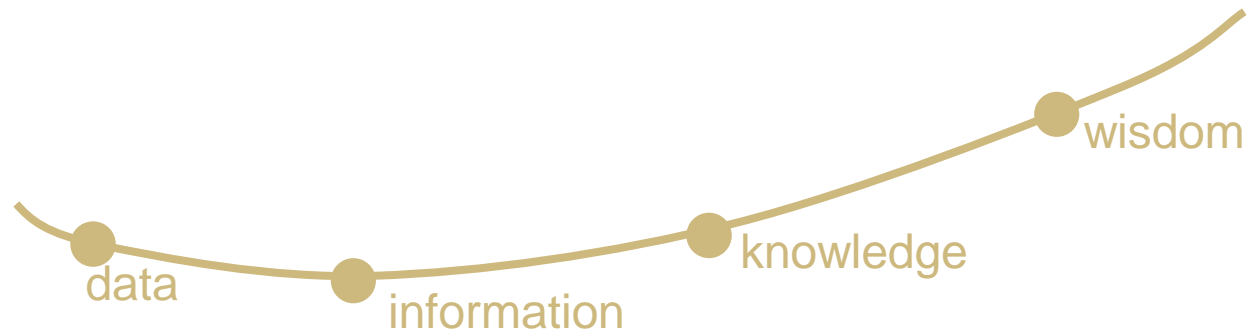




NTM Cost-Effectiveness Toolkit

Geneva, 14 September 2021

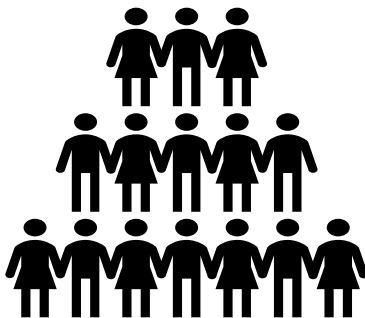
Divya Prabhakar
UNCTAD



NTM Cost-Effectiveness Toolkit - Rationale

Developed in line with the need to ensure that NTMs are of “*high quality*” and “*implement them more effectively and efficiently*” in order to –

1. Avoid high costs to the society



2. Avoid high compliance costs for businesses



3. Maintain government’s ability to achieve desired objectives

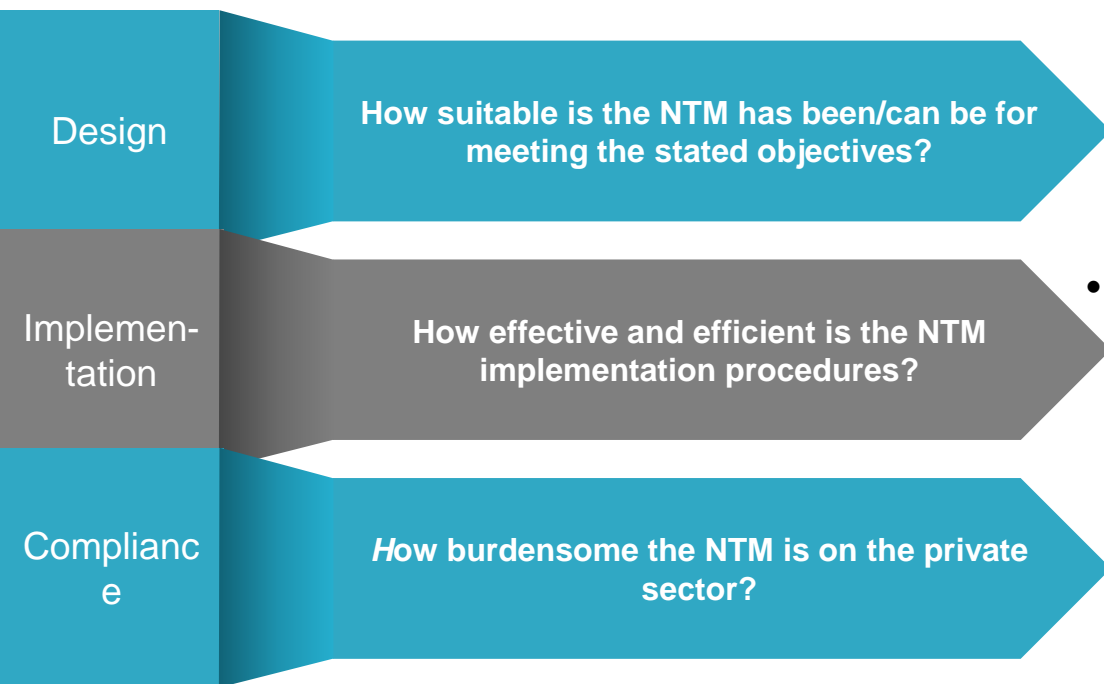


NTM Cost-Effectiveness Toolkit - Overview

- Provides a **framework** in terms of **step-wise guidelines** and **certain tools** (i.e. surveys, in-depth interview guidelines, cost-assessment spreadsheet, etc.) that can be used to review NTMs.
- Focuses on reviewing **import** NTMs applicable to **intermediate inputs** within **critical national value chains**
- Designed to enable users to **review NTMs for their Design, Implementation and Compliance** – the three main pillars of the toolkit.
- The end goal of the toolkit is to encourage **good regulatory practices**.



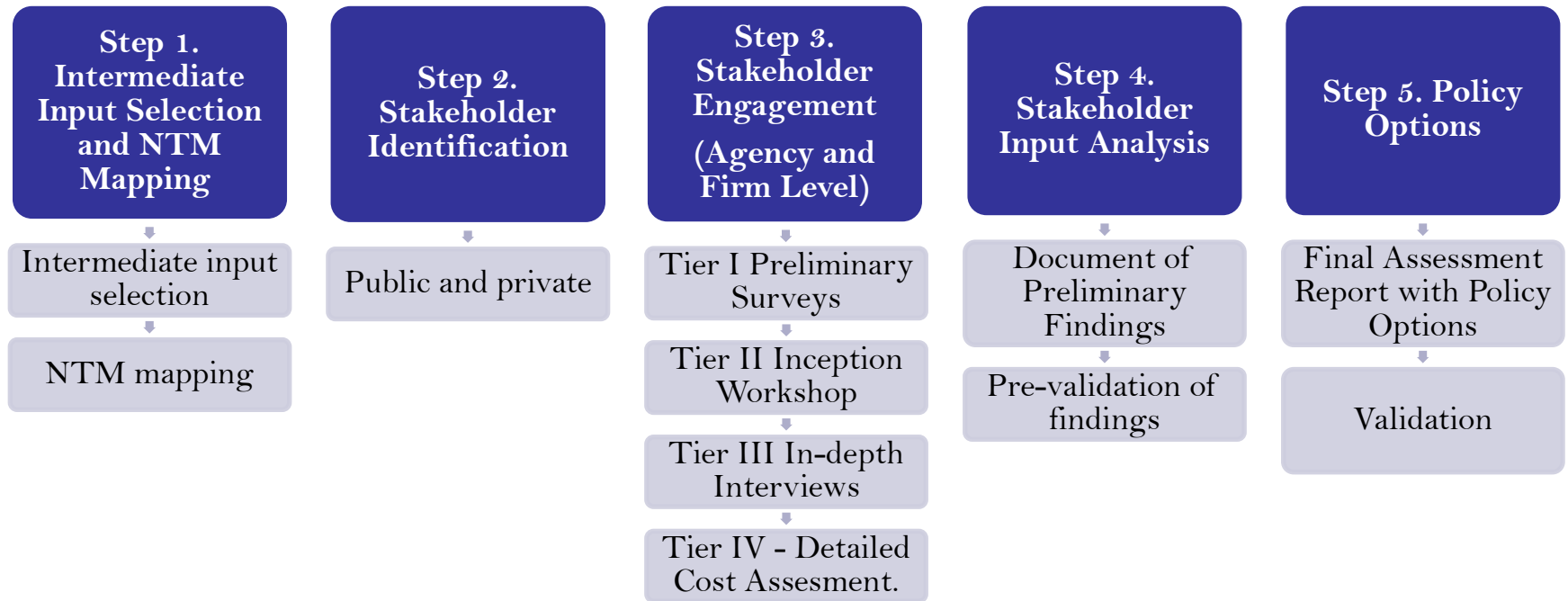
NTM Cost-Effectiveness Toolkit – Key Pillars and Expected Results



- Enable policymakers to **generate policy options towards designing and implementing good NTMs** that meet economic and non-economic policy objectives at minimal cost
- **The reform itself is beyond the scope of this toolkit, as it will depend upon the country's political decision.** However, activities can be designed to accompany and facilitate the process, as an extension of the toolkit.



NTM Cost-Effectiveness Toolkit - Approach

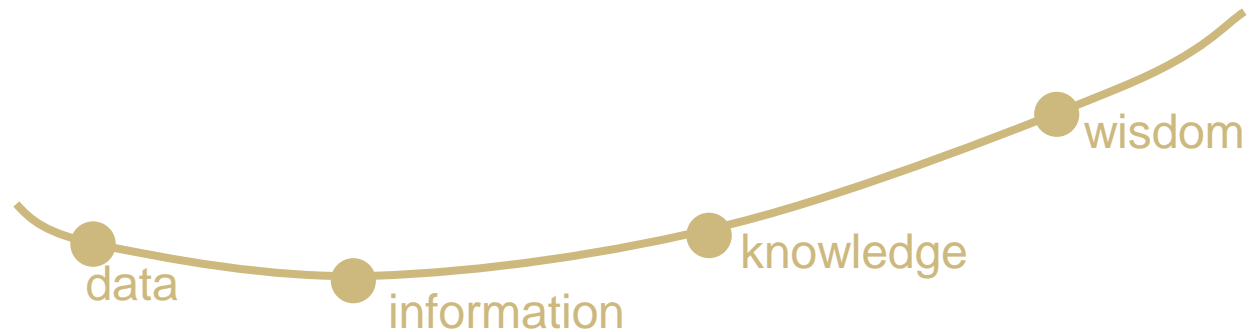




Regional Integration

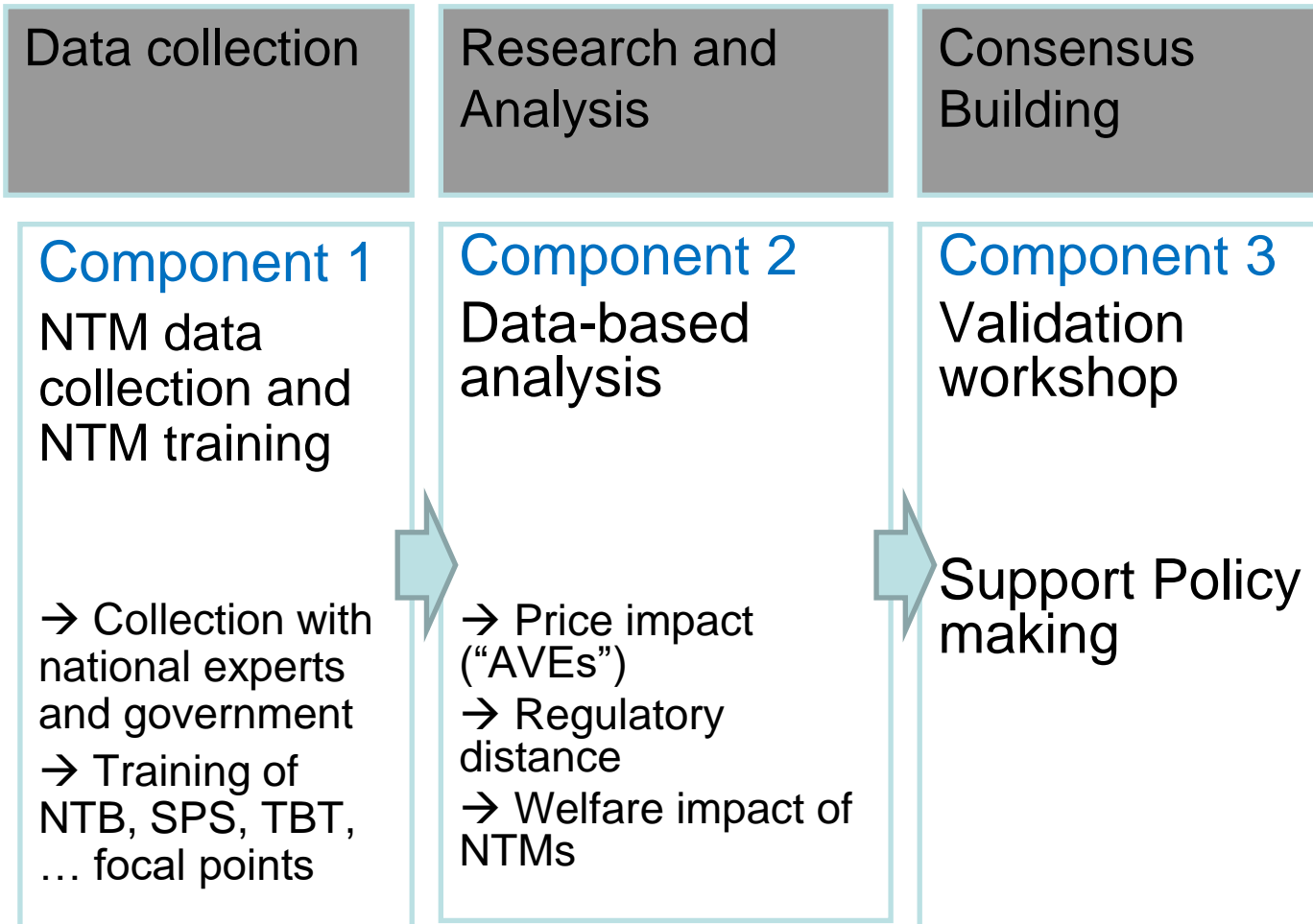
Geneva, 14 September 2021

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UNCTAD

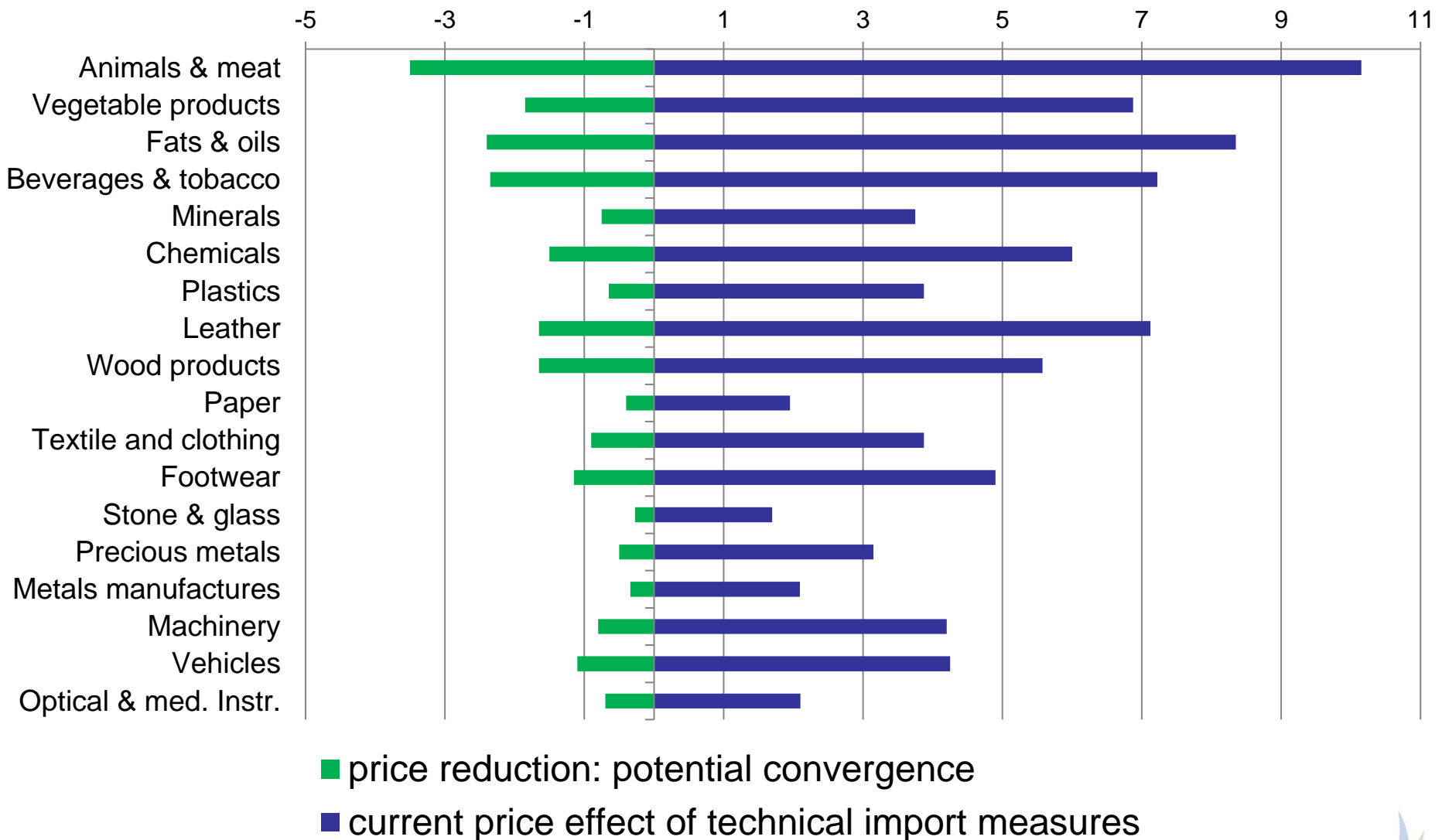


UNCTAD product:

Regional NTM Integration Review

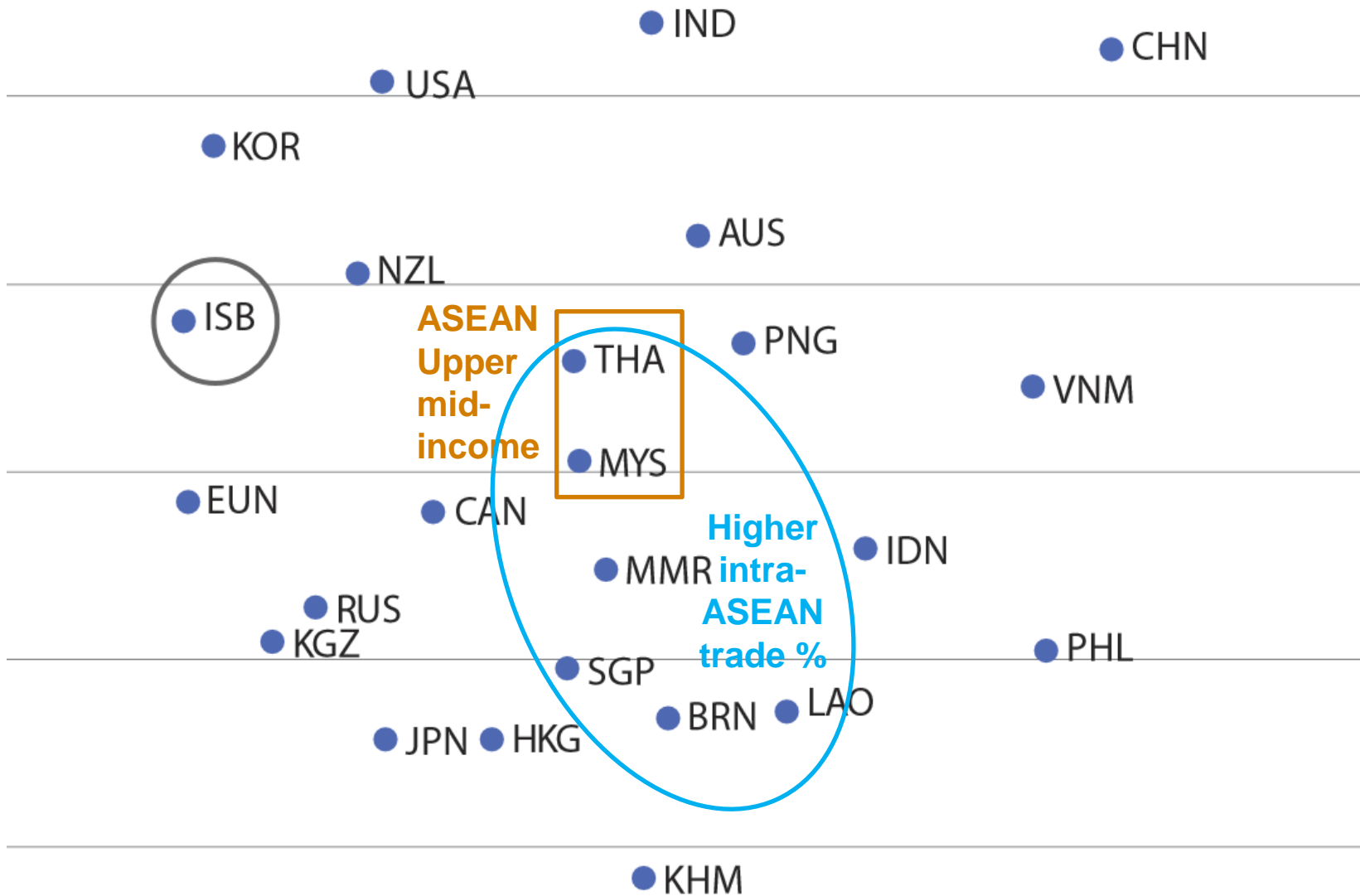


E.g. ASEAN: Regulatory convergence can reduce impact of technical NTMs by ~25%

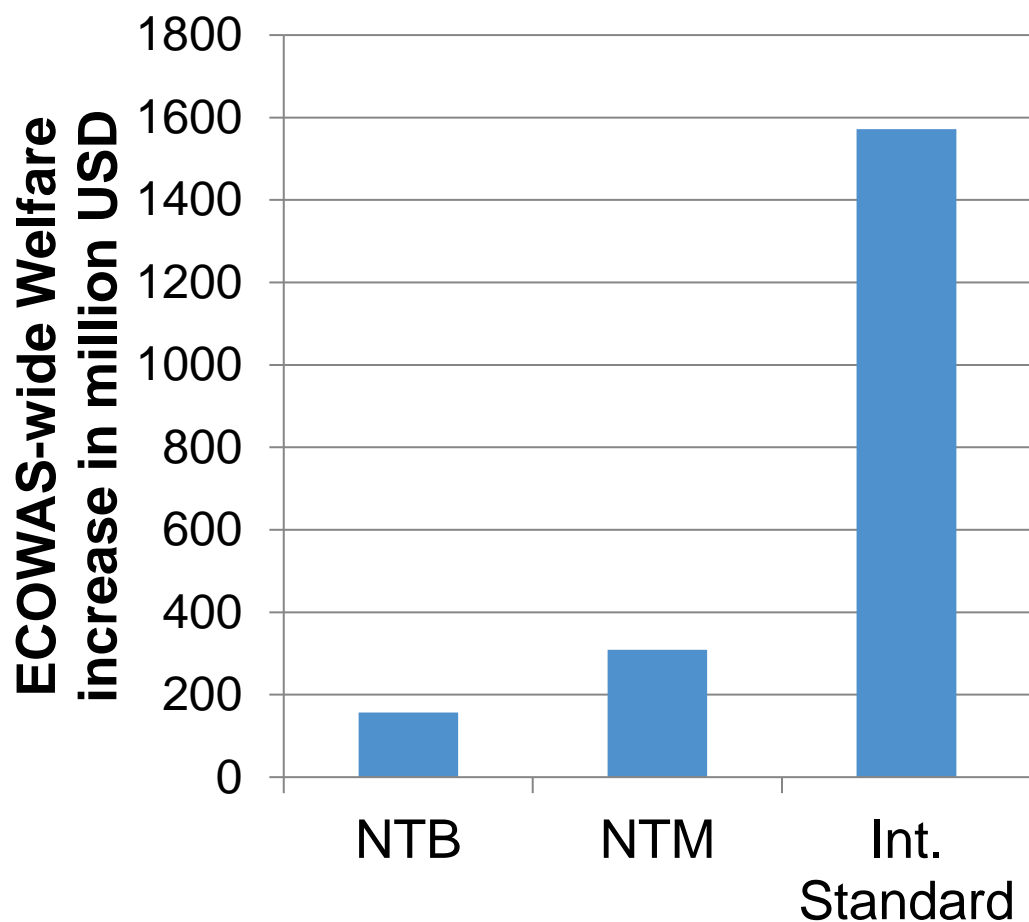


E.g. ASEAN: Current state of regulatory convergence and international standards

(agri-food sectors: Codex Alimentarius, IPPC, OIE)



E.g. UNCTAD analysis for ECOWAS: Welfare increases in three scenarios

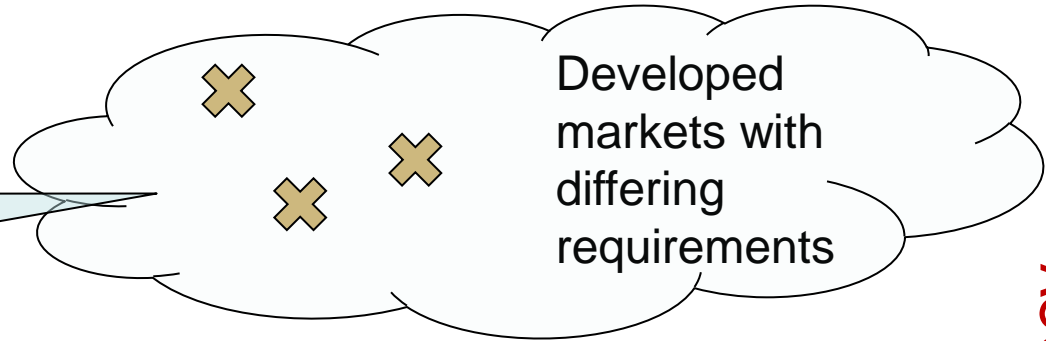


- **"NTB"**: intra-regional (only) elimination of barriers
- **"NTM"**: **"NTB"** + intra-regional regulatory convergence
(→relatively small impact due to low original intra-regional trade. Still, +14% intra-regional trade.)
- **"Int.Standards"**: **"NTB"** + **"NTM"** + adoption of international standards with impact beyond intra-regional trade
 - ~1% of GDP (depends..)

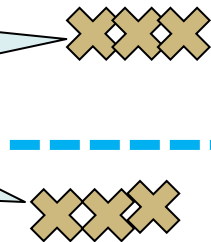


Convergence: towards where?

Adopting overly strict requirements can harm trade



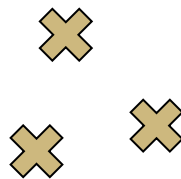
Regional harmonization promotes intra-regional trade



International guidelines
e.g. Codex Alimentarius



Adopt international standards to enhance intra- and extra regional trade



Level of NTM stringency ↑

Which international standards?



SPS

FAO/WHO Food Standards

CODEX alimentarius



International
Organization for
Standardization

TBT ???



Source: Presentation by Stanton (WTO)

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

Conclusions

- Reducing the cost of NTMs:
 - More transparency is needed
 - A simple reform of alignment (without increasing or decreasing measures) could reduce the cost of SPS/TBT in agriculture by 25%
 - Using international standards significantly increases gains
- Modern FTAs focus on
 - transparency and information exchange,
 - good regulatory practice and cooperation
 - SMEs, cutting red tape

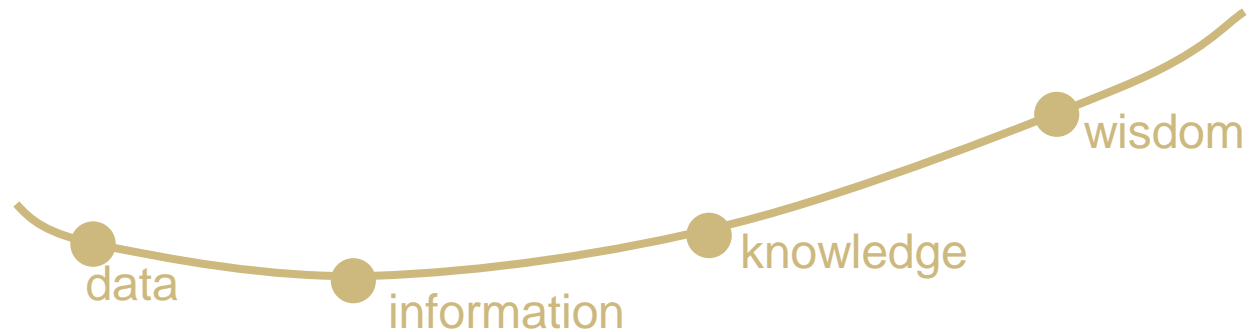




NTBs/AfCFTA

Geneva, 14 September 2021


Christian Knebel
UNCTAD



African Continental FTA: NTB online mechanism

Watch again and like & retweet:

<https://twitter.com/UNCTAD/status/1147941151464407040>



African Continental Free Trade Area <<
Non-Tariff Barriers
Reporting, Monitoring and Eliminating Mechanism

Creating One African Market

Home About ▾ Complaints ▾ Documents ▾ Links Contacts ⌂ Language ▾ Login ➔



Report an NTB online



Report an NTB via mobile



FAQs

Complaint Statistics

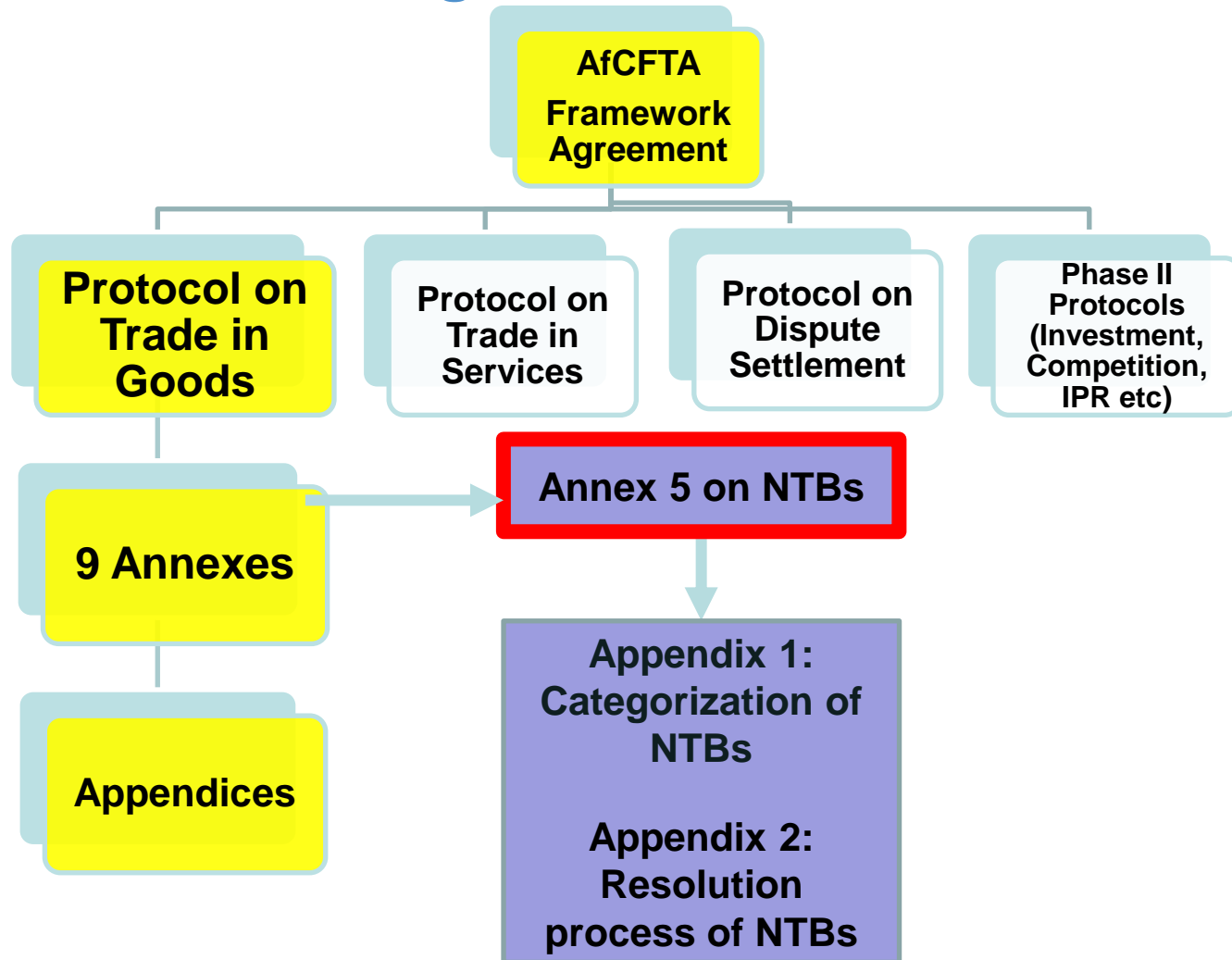
4 Registered complaints

3 Resolved complaints

1 Unresolved

AfCFTA Agreement:

→ 54 out of 55 African Union Member States have signed



AfCFTA → Protocol on Trade in Goods → Annex 5

- The *continental NTB mechanism*:
 - Art 12.(1): “A **mechanism for identifying, reporting and monitoring NTBs** will be put in place to facilitate the elimination of NTBs [...]”
 - Art. 12(2): “Any [...] **Economic Operator may register a complaint** [...]”
- ***Institutional framework***: Art. 4-9: Sub-Committee, NTB Coordination Unit, National Monitoring Committees and **National Focal Points**
- ***Categorization of NTBs***: Appendix 1
- ***Process of resolution***: Art. 11 and Appendix 2



12th Extra-Ordinary African Union Summit

Niamey, Niger, 07 July 2019



- The **NTB reporting, monitoring and eliminating online mechanism** was negotiated by *all* African Union member States.
- Negotiations on the online tool were held at many levels: technical experts, Chief Negotiators, Senior Officials and Ministers.
- It was formally launched by Heads of State at Summit (see picture)



Creating One African Market

African Continental Free Trade Area

Non-Tariff Barriers

Reporting, Monitoring and Eliminating Mechanism



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Language

[Login](#)



Report an NTB online



Report an NTB via mobile



FAQs

Complaint Statistics

4 Registered complaints

3 Resolved complaints

1 Unresolved

Detailed description of trade barrier or incident*

i Enter your detailed description here!

What exactly happened when?

Details of affected product

Product/s tariff code

i Note that you can either select the relevant code from the "HS code categories" list below, or you can type a code or product name.

o 0901.21: Roasted coffee (excl. decaffeinated)

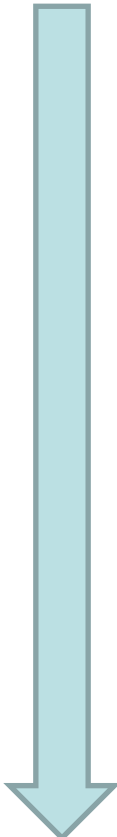


Which product?

Submit your complaint

...to start government resolution processes

What happens after private sector reports a perceived NTB?

- 
1. Relevant officials receive immediate notification:
 - AfCFTA NTB Coordination Unit
 - Requesting State Party National Focal Point
 - Responding State Party National Focal Point
 2. AfCFTA NTB Coordination Unit checks the validity of the complaint
 - Accepts, rejects, asks for further clarification from the trader
 3. If accepted, National Focal Points receive notification and are mandated to follow up on the NTB to eliminate it

Non-Tariff Barriers mechanism for the AfCFTA



Creating One African Market

1. Ownership: *by Africans for Africans*
2. Huge *impact*: up to 4x more than only-tariff-liberalization
3. *Private sector: Anyone (MSMEs, women, youth, informal traders) can report a barrier; simple & user-friendly at tradebarriers.africa*
4. *Government officials: Real-time alerts and information exchange for inside the tool*
5. Strong *legal and institutional foundation (not just goodwill!)* in AfCFTA Agreement
6. *Sustainability*: to be hosted in permanent AfCFTA Secretariat
7. **Functional NOW**. Real NTBs can be reported and resolved!
8. **YOU!** It is what you make of it. **Spread the word, report NTBs!**



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