

# Principles of the SPS Agreement

## Basic Rights

Every country has the right to adopt any measure that may be more stringent than existing international standards. When doing so, it should endeavor to minimize negative trade effects and to avoid unjustifiable discrimination against goods from another trade partner.

## Harmonization of SPS Measures and Practices

In order to reduce the source of many technical trade differences and disputes, the SPS Agreement officially recognizes the following **International Standards Organizations** to harmonize countries' SPS measures and practices:

- The Office of International Epizootics (OIE) as the forum for global standards in animal health;
- Codex Alimentarius (Codex) for food safety standards
- The International Plant Protection Convention (IPPC) for plant health standards.

## Risk Assessment

Import decisions must be based on a risk assessment which uses scientific data and methodologies. Risk assessment is generally described as the process of evaluating the likelihood of the entry, establishment, or spread of a pest or disease within a country and the potential consequences of such a spread. In the animal and animal products area, past strategies of eliminating all risk have been replaced by determinations of "acceptable levels" of disease-specific risk because zero risk is considered unattainable. In the plant and plant product area, there is an assessment of the degree to which an area is pest free as well as the effectiveness of mitigation measures using approaches that reduce the risk of disease or pest infestation to a negligible level. (See Module 2 for more details).

A risk assessment focuses on the number of risk factors including prevalence of a pest or disease in and near the export area. A risk assessment goes beyond disease or pest information. Officials of the importing country also have an interest in judging or assessing the reliability of this pest or disease information and data. Therefore, the risk assessment also attempts to evaluate the quality of the surveillance system itself, including such things as the laboratory capabilities and other aspects of the exporting country's quarantine programs.

## Equivalence

Equivalence encourages countries to recognize different procedures to ensure or certify the safety of a particular commodity as long as the exporting country can objectively demonstrate that its system or practices produce equivalent results or meets the SPS concerns of the importing country. The importing country should select those measures which are not more trade restrictive than required to meet their health objective.

## **Regionalization**

The SPS Agreement commits countries to recognizing disease and pest-free areas as well as areas of low pest and disease prevalence even though the diseases or pests of concern may exist elsewhere within the national territory. A region may be:

- A national entity (country)
- Part of a national entity (zone, county, department, municipality, parish, Province, State, etc.)
- Parts of several national entities combined into an area; or
- A group of national entities (countries) combined into a single area.

## **Transparency**

Each member country will demonstrate openness of their domestic rulemaking process which affects trade by:

- publishing its requirements
- providing advanced notification of any changes in SPS requirements that may affect trade
- make available the scientific basis for the proposed action
- allow countries an opportunity to comment on the proposed action

An exception exists to this advance notification for emergency disease or pest situations.

## **Technical consultation and dispute resolution**

The SPS Agreement calls for the formation of a Committee on Sanitary and Phytosanitary (S&P); Measures to provide a regular forum for consultations. The Committee is responsible for developing a procedure to monitor the process of international harmonization and the use of international standards, guidelines or recommendations, including the establishment of a list of those that relate to SPS measures which the Committee determines to have a major trade impact.

The list should include an indication by Members of those international standards, guidelines or recommendations which they apply as conditions for import to their markets. In cases where a Member does not apply an international standards, guideline or recommendation as a condition for import, it should provide an indication of the reason for doing so.

The SPS Committee may also have a role in helping to settle disputes. The process begins with technical consultations at the bilateral level. If those discussions fail to resolve the issue and the complaint involves a health issue, it would be raised at the SPS Committee level. If that process fails to resolve the issue, the complaining party has the right to move to the WTO Dispute Settlement Body as a last recourse.